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WEST EUROPE REPORT

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FOREIGN MINISTER SPEAKS ON EEC, DEFENSE, WORLD SITUATION

LD041313 Brussels LE SOIR in French 21 Nov 80 p 2

[Article: "Belgium Will Approach Calmly the Question of European Institutions' Headquarters"]

[Excerpt] Mr Nothomb made a good speech in the lower chamber during the parliamentary debate on the Foreign Ministry budget. The minister clearly explained the main guidelines of our policy, and, even though he was unable to avoid some ambiguities--especially with respect to defense problems--he made himself perfectly clear in other respects, especially when he forcefully criticized the tendency among the biggest states to seek solutions within "clubs," which, anyway, usually operate in an ineffective manner.

As far as the part of the foreign minister's speech relating to European affairs is concerned, attention will be paid to a definition of his policy on a question which is becoming a matter of urgency, namely, that of EEC headquarters in the capital.

"Belgium, in which the provisional headquarters of the commission and council have been established for so many years, is satisfied with the present 'status quo,'" Mr Nothomb stated. "However, we have no reason to object to any discussion concerning definitive headquarters for the European institutions if this is what our partners want. Obviously, the government will see to it that the interests of Brussels as Europe's capital are protected, without seeking to deprive anyone of anything. But it will also be guided by its concern to insure that the community institutions operate as effectively as possible."

Mr Nothomb also discussed the question of modifying the method of financing the EEC. Belgium intends, he stated, to oppose any "fair return" practice whereby any country would invest in the community only to the extent to which it would benefit from it because "there can be no community without solidarity." This is why Belgium will "resolutely" defend the system of independent resources. It has no objection to any increase of these resources provided that it is demonstrated that they are used as profitably as possible.

This led Mr Nothomb to the question of the possibility of a change in the common agricultural policy. "The government remains committed to the agricultural common market," as defined by the treaty of Rome, but it wants it to be implemented with both social and economic factors in mind. He then mentioned four difficult

problems: Milk surpluses at a time when fodder for cattle is still being imported; the desire to better adjust and determine coresponsibility levies imposed on producers to finance the storing of their surpluses; the desire to adjust more effectively European aid from agricultural production in accordance with all regions' specific features; and, finally, the need to adapt community aid more effectively according to the size of enterprises. A number of problems which, once studied in conjunction with the agriculture minister, should make it possible to envisage more clearly the future of green Europe and, at the same time, more effectively diversify the European budget effort.

As far as the institutional sphere is concerned, the minister intends to support a policy of rapprochement between the European Parliament and the council of ministers of the 10-member EEC (including Greece).

And, finally, as far as the plan for political cooperation is concerned, while expressing satisfaction that Europe spoke with one voice in Venice on the Near East problem, Mr Nothomb emphasized the weak points in the coordination of European foreign policy. Therefore, Belgium is to support any quest for more regular and more effective methods.

Detente and Defense

The minister changed the subject only partly when, instead of discussing foreign affairs, he mentioned the problems of detente and defense, since he recalled that the implementation of the European component in the Atlantic Alliance is one of the cornerstones of our policy. This is a concern which, it must be said, remains rather theoretical. He also recalled the alarming nature of the international situation, the main feature of which has been the fact that economies are very dependent on overseas supplies and are vulnerable to any kind of upheaval at a time when world economic imbalance is increasing these dangers. Furthermore, the USSR has been trying to profit from these tensions and has been increasing its armaments in all spheres. As far as Belgium is concerned, its defense can be based only on collective security within the Atlantic Alliance. It has seemed to some people both in Belgium and abroad that our commitment within NATO has weakened. However, from 1968 through 1978, Belgium increased its defense expenditure in real terms by more than 4 percent per annum, that is, considerably more than most of its partners. This percentage was 2.2 percent in 1979 and 1.8 percent in 1980, and it will probably be negative in 1981. At a time when the United States is considerably increasing its military efforts to protect the security of its own and Europe's supplies it is not illogical that it should ask its allies to increase their contribution toward Europe's defense. Would this not be a good opportunity to impart a European dimension to the alliance by inviting European countries to jointly study a problem which concerns them all?

Later, the minister recalled the factors governing the Belgian attitude toward plans for the deployment of cruise missiles on our territory. A preliminary remark: According to the minister, the Soviet SS-20 missiles are to "quite a large extent a political weapon." The USSR has always sought to establish a balance of forces favorable to itself with a view to transforming it later into

political advantages. Any response should also be politically significant. Still, according to Mr Nothomb, the Belgian attitude as explained to the U.S. Government has been understood, accepted and appreciated. Obviously, the minister did not mention Mr Karel van Miert's views on this attitude.

Furthermore, Mr Nothomb expressed his satisfaction with the fact that the participants of the Madrid conference have been able to agree on the way their work should proceed. This indicates, Nothomb believes, that no one wants to be held responsible for stifling detente.

[LD041315] Against a "Big Powers Directorate"

Discussing relations between Europe and the United States, Nothomb used some rather harsh words to denounce "the temptation to take an easy way out, which encourages the biggest countries to seek solutions through personal contacts within a more or less unofficial directorate. Such initiatives would be tolerable if they were effective, but they seldom are, and they harm overall cohesion by deterring small countries from assuming their share of responsibilities."

Referring to the North-South dialogue, Nothomb recalled a proposal originally put forward by Mr Eyskens aimed at the conclusion of an agreement for joint growth, making state aid for development dependent on the economic growth of traditional and potential donor countries, including Eastern countries. Having said this, the community has shown itself to be unequal to its task, and it is only through procedural devices that the Nine have managed to maintain an appearance of unity.

In conclusion, he referred to the tragedy of Afghanistan, "Where we are witnessing, powerless, the crushing of a people." He also mentioned the Middle East, where the Nine have sought to help in an "effective and useful" manner.

As for Africa, he reaffirmed the two guidelines of our policy: preservation of our traditional relations with Zaire, Rwanda and Burundi and diversification of our relations with other African countries.

CSO: 3100

REGULAR SOLDIERS WANT TALKS ON NUCLEAR ARMS

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 12 Nov 80 p 4

[Text] The Hague, November 11--A committee representing regular soldiers with conscientious objections to nuclear weapons had talks with three officials of the defence ministry here today on the position of these people within the armed forces.

The VVBK committee was set up recently to start a discussion on this issue following a recent statement by Defence Minister Pieter de Geus that in principle there was no place in the armed forces for regular soldiers rejecting nuclear tasks.

During the talks the committee called for a broad-based investigation into the views on nuclear weapons among the armed forces.

Committee chairman Lieutenant Colonel J. Mohr told reporters that if the investigation showed these objections were widespread, the minister should take account of this in his policy.

He said the committee had also expressed the view that the defence minister should refrain from making firm statements about the dismissal of members of the armed forces who had conscientious objections to nuclear tasks.

The Lieutenant Colonel said he expected the minister to send out another letter on this issue. The VVBK committee hoped that the talks had contributed to a milder tone in the new letter, "for the minister's first letter about 'Two classes personnel' within the armed forces was most difficult to digest for many regular soldiers," he said.

He was unable to say how strong the group of objectors to nuclear weapons was within the armed forces. His committee was set up by about 30 men, 'but it has become clear of late that the number of these objectors is larger than is being assumed at present,' he said.

CSO: 3120

BRIEFS

CHANNEL NAVAL FORCE COMMAND--The Hague, November 12--Holland will assume command of NATO's Standing Naval Force Channel (Stanavforchan) on November 20, the defence ministry announced last night. On that date British Commander H. Willis will hand over to Commander W. Harberts of the Dutch navy. The force consists of Belgian, Dutch and British minesweepers and minehunters and operates in the English Channel and the North Sea. West German units take part regularly in the force and Danish vessels incidentally. The Dutch units in the force are the HMS Sittard and Naaldwijk, the latter ship being due for replacement by the HMS Onbevreesd which will be Commander Harberts' flagship. [Text] [The Hague ANP in English 12 Nov 80 p 1]

CSO: 3120

LABOR PARTY PAPER DEFENDS STOCKPILING PLAN

1980-11-27 Oslo ARBEIDERBLADET in Norwegian 20 Nov 80 p 4

[Editorial: "Defense for Peace"]

[Text] The fact that there has been overwhelming backing among the Norwegian people for Norwegian defense and security policy throughout the postwar years is naturally due to the broad agreement on the issue that has existed between the political parties. The Socialist Left Party is the exception which proves the rule. The other political parties, and the Norwegian people, have wanted a credible Norwegian defense tied to the NATO alliance. The base and nuclear policies which have been shaped also enjoy broad support. Our defenses must be strong enough to have a deterrent effect and have at the same time a defensive structure, so that no one need feel threatened by them. Our defenses have only one purpose--to guarantee Norwegian control over Norwegian territory.

In an open democracy such as ours we consider the broad support for defense and security policy is both necessary and important. Even though the defense debate in the Storting yesterday must be described as uncontroversial, we regret that the nonsocialist parties dissociated themselves from the government and the Labor Party over next year's defense spending increase. This is in line with NATO's budget hopes for the nations in the alliance. The government has proposed a 3 percent increase. Norway is in fact the only West European nation in NATO intending to live up to such a target. When the nonsocialist parties want to increase the increase by a further 1 percent, this is indeed in line with the defense commission's recommendations. However, we must distinguish between commissions' recommendations and governments' proposals. Despite everything, it is not a commission which decides policy, it is the government and the Storting.

We also consider it important for the defense forces themselves to be seen in a social context. As long as we stay within a reasonable economic framework, stricter priorities must be applied within the defense forces in a time when stricter priorities are needed within all economic sectors. We think that people would have difficulty understanding that all planning with the exception of defense planning should be reduced. The funds granted to the defense forces for next year are responsible in the extreme. The nonsocialist parties could have spared themselves their 1-percent demonstration. We hope that this will not be exploited to deepen the division between the various views on defense policy.

In the Storting debate yesterday the question of the contingency stockpiling of heavier U.S. military equipment naturally enough was a central theme, as it also is outside the Storting. This part of the debate revealed first and foremost broad support for the principle of contingency stockpiling. In five previous defense budget debates the Storting has shown the same support for stockpiling for land combat forces. As far as stockpiling for the air force and the navy are concerned, stockpiling has already been a fact for many years.

In the Storting, Defense Minister Thorvald Stoltenberg announced that the government will submit the current stockpiling question to the Storting in early December. It will then be made known what the stockpiles will actually contain. However, it is already possible to assert that the military extent of contingency stockpiling will be relatively modest. But we agree with Defense Committee Deputy Chairman Per Utai (Labor Party) that the political significance of contingency stockpiling is considerable. Contingency stockpiling underlines and confirms that Norway would receive allied help if Norwegian authorities wished it.

In this context the question of the contingency stockpiles' location is of subsidiary interest. The government has decided that Troms is the best alternative in the overall view. Of the nonsocialist parties it is only the Conservative Party which does not want to make an independent political appraisal of contingency stockpiling, but looks only at the one-sided military priorities. It is also worth noting that military experts also consider Troms an acceptable place for the contingency stockpiles.

It goes without saying that contingency stockpiling does not represent an attack on our base and nuclear policies. Nor do we understand those who consider that this can be seen in the context of the superpowers' global strategy and the danger of nuclear war in the world. Nor that it is a threat to the work for a halt to the arms race and disarmament. Such confusions represent a loss of perspective. The invasion of Czechoslovakia took place with 550,000 men. Afghanistan was occupied with 200,000-300,000 [as published] troops. In Troms there will be stockpiles for 8,000-10,000 allied soldiers. We find it hard to see this as a threat to world peace.

CSO: 3108

CONTINGENCY STOCKPILING SEEN AS PRECONDITION OF DEFENSE

LD041553 Oslo AFTENPOSTEN in Norwegian 20 Nov 80 p 2

[Editorial: "Stockpiling a Precondition"]

[Text] Support for the main outlines of Norwegian defense and security policy was shown clearly and convincingly in yesterday's Storting debate on next year's defense budget. The broad agreement which has characterized Norwegian politics in all the years since the last year is an invaluable asset for our people, and it goes without saying that the agreement on defense is felt as an extra reassurance, especially in a situation in which the security climate in the world has deteriorated so much. But we are also aware that our national defense credibility is inextricably linked with united defense cooperation in NATO. Norwegian defense and security policy is--and will continue to be--based on allied troops' coming to our aid if Norway becomes the target of aggression. On the basis of this assumption it seems obvious to us that when adopting national measures we must improve our chances of receiving allied help.

This is briefly what contingency stockpiling is all about. Stockpiling heavier allied equipment is necessary for the expected deployment of allied reinforcements to be able to take place at all. When various individuals claim that contingency stockpiling conflicts with our base policy, we for our part, would like to point out that it is clear that the point of this policy has never been to prevent the arrival of allied help. As was stressed time after time in yesterday's debate, contingency stockpiling is quite simply a precondition for our defense forces' being able to carry out their tasks, /without/ [in italics] having to alter our base policy. In other words, this means that if the basic assumption on which our base policy is built--namely that we are able to receive allied help--cannot be guaranteed, we will have to reappraise this policy as a consequence.

In the Socialist Left Party's political ideology, the modest Norwegian defense measures amount to a threat to the Soviet Union and are consequently a danger to world peace. The party's defense policy spokesman, Stein Oernhoei, declared during the defense debate that Norway is rearming more than others--an assertion which is not worth any serious commentary. Despite the fact that Norway more than any other NATO nation is dependent on the U.S. guarantee, Oernhoei proposed that heavy material for a brigade of U.S. marines should not be stockpiled here. And, further emphasizing his efforts to preserve peace, he once again advocated Norwegian withdrawal from NATO. The Storting's treatment of both these proposals

confirms that the Socialist Left Party has no support worth mentioning from more responsible politicians.

Like Defense Committee Deputy Chairman Per Utai (Labor Party), we feel bound to point out that the relatively modest proportions of contingency stockpiling do not create a new military situation in Norway. This is not where the strengthening of defense principally lies. The strengthening of defense lies first and foremost in the political willingness being shown by our foremost ally to aid us in an emergency situation here.

From this it is not difficult to conclude that the political significance of contingency stockpiling is very great.

CSO: 3108

CONSERVATIVE LEADER REJECTS UNILATERAL NUCLEAR BAN BY NATION

LD091233 Oslo AFTENPOSTEN in Norwegian 6 Dec 80 p 2

[Editorial: "Harsh Reality"]

[Text] The deployment of large Soviet military forces along the border with Poland undoubtedly helped to give the foreign affairs debate in the Storting a more realistic dimension than one would normally be able to expect in a time when wishful thinking and the politics of illusion seem to have made a bigger breakthrough than for a long time. The risk of a new Soviet violation against a neighboring state has--in the same way as the invasion of Afghanistan almost a year ago--again brought us face to face with the world's frightening realities. The past few days' alarming developments have given the Norwegian authorities a new reminder of the need to put our house in order. The fact that this is happening at the same time as the work for detente and disarmament has won broader support than perhaps at any time since World War II provides an even better foundation for a sober reappraisal of our own security situation. We cannot flee from the harsh reality which surrounds us.

As a direct consequence of the tense international situation yesterday's foreign affairs debate became the occasion for concentrating first and foremost on vital security policy questions for Norway. Central concerns here were the object of open, unprejudiced discussion, in which the nonsocialist parties' spokesmen especially stressed the desirability of a clear and straightforward policy from the Norwegian authorities. More strongly and more clearly than in any other speech, justifiable Norwegian security interests were underlined by conservative parliamentary leader Kaare Willoch. It is a historical fact, he said, that the Soviet Union does not shrink from subjugating neighboring nations, if this can be done without a great deal of risk. We cannot dream our way out of the lesson which the Soviet conquest of Afghanistan provides us with the most recent example.

Through the solidarity of the defense cooperation in NATO and through our own defense efforts, we know that we can make our contribution to the prevention of war. Willoch put it like this: It is merely wishful thinking to believe that we could manage this alone--in confrontation with a superpower. But when it is known that any possible attempt to gain sway over Norway would be met by both Norwegian and allied forces in sufficient strength, then there will be no attack.

Put another way: Unilateral disarmament in the West would increase the risk of war. Bilateral disarmament would on the other hand decrease the risk of war. This indisputable fact was a central point in the discussion of the Labor Party's manifesto proposal for a nuclear-free zone in the Scandinavian area. Considering that Soviet nuclear arms are the only ones to be found in northern Europe and the only ones which threaten our country, it would be an irresponsible action if Norwegian authorities accepted such an agreement without its also including Soviet territory. And in such a case, how far would the Soviet Union be prepared to withdraw its own nuclear arms? It is enough to remind ourselves that the much-discussed SS-20 missiles would be able to reach any target in Norway even if they were stationed in Asia.

In the Storting there is general agreement that the overshadowing task of our time is to prevent war and the use of nuclear arms, but this will not be achieved through unilateral concessions from the West. That would be the quickest way to our own annihilation.

CSO: 3108

BULGARIAN PERIODICAL EXAMINES ENERGY POLICY

Sofia ENERGETIKA in Bulgarian No 9, 1980 pp 34-38

[Unattributed, abridged article originally published in ENERGOKHOZYAYSTVO ZA RUBEZHOM, No 2, 1980: "The Present-Day Energy Policy of France"]

[Text] Upon the instructions of the French Government, the Ministry of Industry published a pamphlet [1] which gives the principles in the state energy policy for the period of 1985-1990. In the foreword to the pamphlet, French Minister of Industry A. Giraud comments that the most important task for the country over the next few years is to reduce the dependence of the economy upon imported energy resources by carrying out a full-scale program to diversify the imported sources, to save energy and develop local fuel and energy resources with a secure predominance of nuclear power.

The great importance to the solution of this problem is caused by the fact that in the 1960's and in the first half of the 1970's, the share of imported energy sources, and primarily petroleum, has continuously risen in the energy consumption of France, like the other industrially developed capitalist countries.

At present, France is in third place behind Japan and Italy in terms of the degree of dependence upon imported electric supply [sic.]. According to the most recent forecasts, in 1980, the share of imported power resources in the total volume of French power consumption will be 81 percent (in comparison with 35.1 percent in 1960 and 80 percent in 1977), while in Italy the figures are 87 percent (52 and 87 percent), and for the FRG 61 percent (12 and 56 percent). In Japan the imported energy resources are 86 percent, and in the United States 19 percent.

In the official French government documents it is repeatedly emphasized that the further development of the national economy to a large degree is held up by the tautness in energy supply.

According to calculations by French economists, the increase in the price of oil on the world market in the first quarter of 1979 alone caused an increase in the foreign exchange outlays of the nation equal to 0.6 percent of the total national

product in France. According to the preliminary estimates, in 1979, France is to spend around 10 billion dollars (52 billion francs) more than in 1978 on purchasing imported oil. The state expenditure on the importing of all types of fuel and energy resources at the beginning of the 1970's was around 13 percent of the value of total imports, while in 1978, it was 20.2 percent.

Another important indicator showing the impact of the increase in the prices for resources on the world market on the economy is the share of the value of consumed fuel and energy in total national product. In 1970, this indicator was 1.6 percent, and by 1976 it had risen to 4.2 percent. By 1978, however, it declined to 3.5 percent, and this probably shows certain progress in increasing the efficient use of the fuel and energy resources.

French specialists feel that no matter how effective the measures to save energy that are applied, the nation cannot avoid the importing of energy resources. Over the immediate future, the government has set the task of not allowing an increase in oil imports. The main share of the increase in energy needs is to be met from own resources. In this manner it is expected that the dependence upon the importing of resources will drop to 65 percent by 1985.

One of the most important local resources is coal. However, the conditions for mining it are unfavorable, and this causes high expenditures for operating the deposits. This, in the opinion of French specialists, is the main reason for the decline in coal mining in the country. This decline, in turn, has led to a drop in the total production of fuel and energy resources in France by around 3.4 percent per annum since the period after 1965. In 1974-1978 alone, annual coal production declined from 24.5 to 21.4 million tons (and the number of persons employed in the sector from 86,700 to 69,300).

Coal costs in France are higher than the price for imported coal delivered to French ports.

The forecasts for the development of the French fuel and energy system envisage a further decline in coal output to around 10-15 million tons in 1990. The total volume of coal consumption, however, should remain high by increasing the imports. In 1978, the total quantity of imported coal was 25.4 million tons, 8.4 million tons of which came from the FRG, 6.7 million from South Africa, 4.7 million from Poland, 1.8 million from Australia, and 1.5 million from the United States. It is assumed that in 1990, the quantity of imported coal from whatever nations will not exceed 20 percent of the total quantity of coal imports from abroad. This is the policy of diversification.

The search for oil in recent years has affirmed the limited reserves of this resource in the country.

In this regard French policy in supplying the nation with oil is based upon ensuring stable foreign deliveries. In 1978, the total quantity of imported crude oil was 112 million tons delivered from 22 nations. The main oil suppliers at present are Saudi Arabia (35 percent of the total imports in 1978), Iraq (18 percent) and Iran (9 percent).

In recent years, France has implemented a number of measures to strengthen the role of the state in solving the problem of national oil supplies. In August 1978, the French government took a decision which obliged the private oil companies in the country to submit an oil supply plan to the government for approval.

The long-range fuel and energy balance envisages a substantial increase in the use of natural gas, by 1.7-fold over the period of 1978-1985. The entire increase will come from imports. The French state gas administration (Gaz de France) has concluded a large number of long-term (for 20 years) international agreement for delivering natural gas to France, including with the USSR, Algeria, Norway and Iran.

The most promising domestic fuel and energy resources are the reserves of uranium which have been estimated at 100,000 tons. They are the equivalent of around 1.5 billion tons of equivalent fuel units [coal] in using them in thermal neutron reactors and more than 70 billion tons of equivalent fuel units with fast neutron reactors.

In the past local hydropower resources were an important source for increasing power output, and at present this has fallen to scarcely one-fifth of the total production of the primary domestic resources (Table 1).

The hydropower potential of the French rivers has been estimated at 270 TWh of which 100 TWh are among the technically possible for use, and 80 TWh are economically justifiable. Considering the limitations imposed by the ecological conditions and the demand for the conservation of the environment, only 70 TWh remain as possible for use. Thus, at the present stage around 87 percent of the total economic potential of the rivers in the nation has already been used.

From the data in Table 1 it can be seen that the main portion of the increase in the output of fuel and power resources in the nation in the immediate future will be obtained from nuclear power, the share of which in total energy production in 1978-1985 must increase by around 9-fold. At the same time, it is essential to point out that the growth scale for the total volume of the production of fuel and energy resources is comparatively low, and in 1978-1985, it is a total of 13 million tons of equivalent fuel units, or 26 percent. This explains the fact that in the future the dependence of France upon the importing of resources is to remain great.

Thus, the importing of fuel and primarily of oil is to be the basis of energy supply for the nation both at present and in the future.

During the period from 1960 to 1979, the average annual increase rate of energy consumption was 5.6 percent. This comparatively high rate to a significant degree was caused by the increase in energy use in the housing and utility system and in the trade sector. Their share in total energy consumption increased from 26 percent in 1960 to 34 percent in 1978.

The growing energy needs have been met primarily by oil the share of which in the French fuel and energy balance has risen from 31 percent in 1960 to 62 percent in 1979. The share of coal has declined, respectively, from 55 to 17 percent (Table 2).

Table 1

Production of Primary Fuel and Energy Resources

Fuel & energy resources	1972 (rep.)		1975 (rep.)		1977 (rep.)		1980 (est.)		1985 (forecast)	
	value in m.e.	% of total	value in m.e.	% of total	value in m.e.	% of total	value in m.e.	% of total	value in m.e.	% of total
b) Выход	30.5	57.4	23.3	49.2	22.6	45.9	20.0	39.0	12.9	19.3
c) Древ. топлив.	1.7	3.2	1.9	4.0	1.9	3.9	1.0	3.1	1.3	2.1
d) Нефть	3.3	6.2	2.9	6.1	2.9	5.9	2.9	5.7	2.9	4.7
e) Природный газ	10.0	18.8	9.8	20.7	10.3	20.9	10.1	19.7	10.1	16.2
f) Атомная энергия	1.7	3.2	2.2	4.6	2.2	4.5	8.4	15.4	25.5	40.9
g) Волна	5.9	11.2	7.3	15.4	9.3	18.9	8.0	15.6	8.5	12.6
h) Общо	53.1	100.0	47.4	100.0	49.2	100.0	51.3 ¹	100.0	62.3 ¹	100.0 ¹

¹ Including known quantity of other primary energy resources.

Key: a--million tons of equivalent fuel units [coal]; b--coal; c--other solid fuels; d--oil; e--natural gas; f--nuclear electric power; g--hydropower; h--total.

Table 2

Consumption Dynamics and Structure for Primary Fuel and Energy Resources

Fuel & energy resources	1960 (rep.)		1970 (rep.)		1975 (rep.)		1975 (est.)		1975 (forecast)	
	million tons of oil equiv.	% of total	million tons of oil equiv.	%	million tons of oil equiv.	%	million tons of oil equiv.	%	million tons of oil equiv.	%
b) Буржуазия	66,9	5,47	54,5	25,7	43,6	17,4	45,8	17,6	40,0	12,5
c) Нефть	38,5	31,5	124,8	58,8	166,3	66,5	151,6	59,2	144,4	45,1
d) Промышленность	4,1	3,3	13,3	6,3	21,5	8,0	30,0	11,6	51,5	16,1
e) Вспомогательная энергия	12,9	10,5	17,9	8,4	14,2	5,7	24,3	9,3	20,0	6,2
f) Атомная энергия	—	—	1,6	0,8	4,4	1,8	8,5	3,3	61,5	19,2
g) Новая энергия	—	—	—	—	—	—	—	—	—	—
h) Всего	122,4	100,0	212,1	100,0	250,0	100,0	260,3	100,0	320,3	100,0

Key: a--million tons of equivalent fuel units; b--coal; c--oil; d--natural gas; e--hydropower; f--nuclear energy; g--new energy sources; h--total.

In the period after 1979, that is, after the sharpening of the energy crisis which engulfed virtually all the capitalist countries, including France, and the accompanying economic decline, there was a significant decline in the growth of power consumption, as an average by 2 percent per annum. The measures to increase the efficient use of fuel and energy in all areas of the economy have played a definite role in this.

In recent years, the increase rate of total domestic production has outstripped the rate of power consumption (see the table below).

	Average Annual Growth Rate, %			
	1962-1972	1973-1977	1978-1980	1981-1985
Total energy consumption	5.8	0.5	2.8	2.4
Total domestic production	5.7	3.4	3.7	4.0

French specialists have estimated that if the nation does not carry out measures to save resources, the demand for them by 1985 will be 15 percent greater than according to the indicators in Table 2.

To create the necessary conditions for ensuring the economic use of fuel and energy, in 1974, France passed a special law according to which a coordinated program is to be carried out in the country for reducing the energy intensiveness of domestic production.

In 1976-1978 alone, the coefficient for the energy intensiveness of domestic production (the ratio of the increase rate of energy consumption to the increase rate of production) declined from 1.0 to 0.85, and according to the forecasts, in 1985, it is expected to be 0.75.

Another focus in French energy policy is a reduction in the share of petroleum in the fuel and energy balance (Table 2). This is to be carried out in proceeding from the following premises:

- 1) The average annual increase rate of gasoline consumption during the period up to 1990 will be a little more than 3 percent, and for diesel fuel, 5 percent.
- 2) The consumption of oil for heating in the utility and domestic sector will be reduced by an average of 1.5 percent a year up to 1985, and by almost 4 percent a year in the 1986-1990 period;
- 3) The use of heavy petroleum products in industry will be stabilized;
- 4) The use of mazut will be sharply curtailed for electric and heating production, by an annual average of 8 percent in 1981-1985, and by 10 percent in 1986-1990.

Table 3 gives the fuel and energy balance of France in 1985, in considering the fulfillment of the designated measures relating to the consumption of oil and the economizing of the energy resources.

Table 3

French Fuel and Energy Balance for 1985 (Forecast), in million tons of equivalent fuel units

Users	1 Primary fuel-energy resources						2 Secondary energy resources			
	3			4			5			Общо
	вып.- ше	нефть	газ	уголь	электро- энергия	и тепло- энергия	заточен- ная	на электр.- энергию	на электр.- энергию	
15) Металлургия	12.6	3.3	3.0	-	-	-	-	-	-	5.0
16) Други отрасли на промишлеността	4.9	24.5	20.7	-	-	-	-	-	-	35.0
17) Жилищно-комунално стопанство и търговия	2.9	36.5	22.9	-	-	-	2.9	-	-	49.5
18) Селско стопанство	-	4.4	-	-	-	-	-	-	-	4.4
19) Транспорт	-	59.1	-	-	-	-	-	-	-	2.9
20) Общо електропотребление	20.4	127.8	46.6	-	-	-	2.9	-	-	92.4
21) Разходи за собствени нужди на енергийния сектор	40.1	146.5	50.5	20.0	61.5	2.9	-	-	-	109.7
22) Горнодобивни отрасли	0.4	-	-	-	-	-	-	-	-	8.6
23) Нефтеперерабатващи заводи	-	9.6	-	-	-	-	-	-	-	1.3
24) Коксови заводи	3.1	-	1.4	-	-	-	-	0.3	-	2.0
25) Газови заводи	-	0.1	0.1	-	-	-	-	-	-	-
26) Электроцентрали	16.2	9.0	2.9	20.0	61.5	-	-	-	-	5.0
27) Загуби	-	-	-	-	-	-	-	-	-	7.4
28) Общи потребности от гориво-енергийни ре- сурси	40.1	146.5	50.5	20.0	61.5	2.9	-	-	-	321.0

14) Крайно електропотребление

15) Металлургия	12.6	3.3	3.0	-	-	-	-	-	-	5.0	22.0
16) Други отрасли на промишлеността	4.9	24.5	20.7	-	-	-	-	-	-	35.0	81.8
17) Жилищно-комунално стопанство и търговия	2.9	36.5	22.9	-	-	-	2.9	-	-	49.5	114.7
18) Селско стопанство	-	4.4	-	-	-	-	-	-	-	-	4.4
19) Транспорт	-	59.1	-	-	-	-	-	-	-	2.9	62.0
20) Общо електропотребление	20.4	127.8	46.6	-	-	-	2.9	-	-	92.4	284.9

21) Разходи за собствени нужди на енергийния сектор

22) Горнодобивни отрасли	0.4	-	-	-	-	-	-	-	-	8.6	9.0
23) Нефтеперерабатващи заводи	-	9.6	-	-	-	-	-	-	-	1.3	10.3
24) Коксови заводи	3.1	-	1.4	-	-	-	-	0.3	-	-	2.0
25) Газови заводи	-	0.1	0.1	-	-	-	-	-	-	-	-
26) Электроцентрали	16.2	9.0	2.9	20.0	61.5	-	-	-	-	5.0	5.0
27) Загуби	-	-	-	-	-	-	-	-	-	7.4	10.3
28) Общи потребности от гориво-енергийни ре- сурси	40.1	146.5	50.5	20.0	61.5	2.9	-	-	-	109.7	321.0

Key: 1--primary fuel and energy resources; 2--secondary fuel and energy resources; 3--coal; 4--oil; 5--gas; 6--hydropower and imported electricity; 7--nuclear energy; 8--nontraditional energy sources; 9--artificial gas; 10--electric power; 11--consumption; 12--production; 13--total; 14--end power consumption; 15--metallurgy; 16--other industrial sectors; 17--housing utility system and trade; 18--agriculture; 19--transportation; 20--total electric consumption; 21--expenditures for internal needs of energy sector; 22--fuel extracting sectors; 23--oil refineries; 24--coking plants; 25--gas plants; 26--electric power plants; 27--losses; 28--total demand for fuel and energy resources.

The main part of the energy savings in 1985 is to come from the utility-household and trade sector (around 23 million tons of equivalent fuel, or 20 percent). In particular, new, firmer demands have been approved for the insulating of new buildings, and by this the losses of heat are expected to be reduced by 40 percent. Additional measures are envisaged for improving the heat insulating in existing buildings.

The saving of energy in industry and agriculture in 1985 has been estimated at 17 million tons of equivalent fuel, or 15.8 percent, in transport, 7 million tons of equivalent fuel (11.6 percent), and in energy production, 62.9 million tons (7.7 percent).

One of the basic areas in the French energy policy will be the ever-wider use of electric power in comparison with other energy sources. As a consequence of this, it is expected that by 1985, the share of electric power in total energy consumption will reach 32.4 percent (Table 3) in comparison with 22.4 percent in 1975. At present in France, almost 40 percent of the energy requirements for industry are met by electric power. It is expected that this indicator will rise in 1985 (Table 4).

Table 4

Structure of Electric Power Consumption

Total Electric Consumption ¹	1978		Estimates			
			1978		1985	
	220.8 TWh		258 TWh		355 TWh	
	TWh	a	TWh	a	TWh	a
Industry (minus metallurgy)	81.9	39.7	92	41.5	115	43.2
Metallurgy	12.1	20.8	13	20.8	17	23.4
Utility-domestic sector and trade	96.8	32.3	111	34.6	159	41.6
Transportation and communications	6.8	4.3	7	4.3	9	4.5

¹Including expenditures on internal needs of power plants and network losses.

²Share in total energy consumption, %.

Up to 1974, the basic areas where electric power were used were electric propulsion, lighting and electrolysis. At present, electrothermy has been widely employed, and its development has required very great capital investments. A number of new production methods are being developed, and their mass introduction will commence in the 1980's.

In the utility and domestic sector, a rise is forecasted for electric heating, and 35 percent of all new housing is being designed for electric heating.

These trends are due to the extensive growth of the production facilities for electric power and particularly nuclear power. The prospects for their development in 1985 and up to 1990 are shown in Tables 5 and 6.

Table 5
Structure of Electric Output

power plants	1975		1980		1985		1990	
	TWh		TWh		TWh		TWh	
	% of tot.							
TETs	101	56,7	142	55,0	98	27,6	85	18,7
AETs	17,5	9,8	55	21,3	194	54,6	305	67,0
VETs	59,6	33,5	61	23,7	63	17,8	65	14,3
total	178,1	100,0	258	100,0	355	100,0	455	100,0

Table 6
Structure of Generating Capacity

power plants	1975	1980	1985	1990
TETs ¹	26 123	29 000	30 000	25 300
AETs ¹	2893	13 000	39 000	57 000
VETs ²	17 574	19 400	23 500	25 500

¹Maximum available power

²Rated power

On the basis of the data given in Table 5, the major conclusions can be drawn on French policy in the development of electric power. The first is that in the period up to 1990, the entire increase in the output of electric power in the nation will be provided by the nuclear power plants. Moreover, the AETs [nuclear power plant] must compensate for the decline in electric generation from the TETs [thermal power plant] (in 1990, by 16 TWh in comparison with 1975).

Regardless of the decline in the absolute amount of electric output from the TETs, their total installed capacity will rise up to 1985 (Table 5), and only by 1990 will decline slightly as a result of taking certain obsolete units out of operation.

In terms of its economic indicators, the electric power produced by the French nuclear power plants became competitive with the power of the TETs in the 1970's. After the 4-fold increase in petroleum prices on the world market, the relative efficiency of the AETs increased further and at present the cost of nuclear power is 65 percent of the cost of electric power generated at a TETs. (Recently this

ratio has declined due to the increase in the cost of atomic fuel and the higher costs of nuclear construction.) Calculations indicate that in 1990, the cost of a nuclear plant will be lower than a coal-fired TETs and particularly for a mazut-fired one (centimes per kilowatt hour) (see the table below).

	AETs	Coal-fired TETs	Mazut-fired TETs
Capital investments	5.0	3.4	2.9
Operating expenses	2.1	2.2	1.8
Fuel	3.3	7.0	9.4
Total	10.4	12.6	14.1

By 31 March 1979, France had in operation 15 power reactors with a total capacity of 7,340 megawatts, and under construction or approved, 32 reactors with a total capacity of 31,500 megawatts. All these units are to be in operation during the period of 1980-1986.

The carrying out of this impressive program for building the AETs will cover 20 percent of the nation's energy requirements in 1985 (Table 2). After 1985, the contribution of the AETs to the fuel and energy balance will depend upon the decisions which will be taken in the future. Regardless of this it is felt that by the end of the century, the share of the AETs in total energy supply will reach 25-30 percent.

In the French energy program, great attention has been given to supplying the AETs with nuclear fuel. At present annual uranium production in the nation is 2,000 tons, and by 1985 it is planned that it will rise to 3,500 tons. The total demand for uranium by the French nuclear power plants in 1978 was 2,700 tons, in 1980 it will be 3,600, in 1985, 7,000, and in 1990 it is expected to reach 10,000 tons.

These needs will be met by local production as well as by the participation of French firms in the exploration for and exploitation of uranium deposits in other countries (Nigeria, Gabon and Canada). In the nuclear energy program, a definite place has been assigned to the introduction of fast neutron reactors.

Since 1973, a fast neutron reactor has been successfully in operation with an electric capacity of 230 megawatts. In 1984-1985, a reactor is to be put into operation with a power of 1,200 megawatts. This reactor is presently being built (Italy has a 53 percent share in its construction and the FRG 16 percent).

The basic direction for the further development of hydropower production is the building of high-powered VETs (Table 7), the efficiency of which is very high bearing in mind the extensive program for building AETs which are not suitable for variable-load operations.

Research has shown that in France it would be possible to build VETs with daily regulation with a total capacity of 20 GW, with weekly regulation of 12 GW, and with seasonal regulation of several GW.

Table 7

Structure and Prospect for the Development of Water Power Capacity

Year	Total installed capacity, GW	Including		Total electric output, TWh
		VETs	PAVETs*	
On 31 December 1977	18.5	1.1	17.4	61.38
1985	23.5	4.45	19.05	66.26
1990	25.5	5.45	20.05	68.14

*Pumping-storage hydroelectric plant.

The basis for the network system of France at present is the power transmission networks of 400 kilovolts (8,200 km) and 220 kilovolts (23,700 km). Power lines of 150 kilovolts (6,300 km) are not being developed, and are gradually being converted to a different voltage or are being taken down.

The total length of the low-voltage distribution networks is 608,000 km, of which 84 percent are 220/380 volt networks and 16 percent are 127/220 volt ones.

In French energy policy a definite place is also held by the nontraditional replenishable resources, and primarily solar energy. It is assumed that in 1985, on the basis of new energy sources, energy equivalent to around 3-4 million tons of equivalent fuel units will be produced, and in the year 2000, 15-17 million tons.

For carrying out this task, in 1978, the Solar Energy Commissariat was created in France. By 1985, production of solar collectors will reach 1 million m², in comparison with 70,000 m² in 1979,

By 1990 it is assumed that geothermal energy will be used for heating 50,000 residences, and this will lead to a savings of 700,000 tons of equivalent organic fuel.

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10272

CSO: 2200

ROME-ITALGAS CAMPAIGN TO PROMOTE GAS HOT-WATER HEATERS

Rome L'UNITA in Italian 13 Nov 80 p 13

[Article: "City of Rome-Italgas Proposal to Use Methane More--Electric Hot-Water Heaters, What a Waste--Why Don't We Free Ourselves from Them?"]

[Text] Installment payment and discounts for those who install gas units in their homes--Savings, safety, less pollution--Why Moscow is the "cleanest" metropolis--Press conference on the Campidoglio

"To save energy, switch to the gas hot-water heater. We'll finance it for you. Call us at 5875." This ad, with the "signatures" of the City of Rome and Italgas, will appear within the next few days on the city's walls, in the daily newspapers and magazines. The message is clear, but it is worth the trouble to be specific. The City of Rome and Italgas have reached an agreement on the basis of which anyone who in the next 6 months (but the period could be extended) frees himself from the old electric "boiler" and installs a gas hot-water unit will obtain various favorable terms. What terms? First of all, he will get from Italgas 20,000 lire as a discount off the purchase price of the hot-water heater; furthermore, he will not have to pay the installer cash for the unit (usually around 200,000-250,000 lire), but will be able to pay it in installments with his gas bill, to a maximum of 9,000 lire per quarter.

Why this campaign? The technological-services adviser, Piero Della Seta, and the general manager of Italgas, Mazzeini, explained it at a press conference on the Campidoglio yesterday morning.

To begin with, with the imminent arrival of methane from Algeria, Rome too will have large quantities of natural gas available, an alternative energy source (alternative, of course, to oil, which is used to produce electricity) that costs far less, that yields more, and above all, does not pollute.

This will mean, among other things, great possibilities for savings by individual families. By very simple arithmetic, it has been calculated that while with the electric "boiler" a hot bath presently costs around 180 lire, with a gas hot-water heater it drops to 120 or even 100 lire. Not to mention the fact that with gas, the heater goes into operation only when the faucet is opened, and waste is therefore eliminated.

Rome is not in the lead in this field. Almost all the countries of Western Europe and the biggest cities of southern Italy already use gas to produce hot water. If anything, this step represents a catching-up to something that is now almost obligatory.

The main objection might be that gas hot-water heaters are not safe. This, as was explained yesterday morning, is not true, because the most modern units have reached very high levels of safety. Furthermore, it should be kept in mind that accidents caused by gas always make more news because they are accompanied by explosions, while those caused by the electric "boiler" (and there are far more of them, the statistics assure us) pass almost in silence.

Gas, therefore, is the better choice. Naturally, someone who has a brand-new electric hot-water heater than works perfectly well can keep it and use it until it becomes old and inefficient, but anyone who is thinking of a replacement (and therefore an expense of around 80,000 lire) has every reason to change over to gas.

But what does he have to do? Italgas has thought of this too, and it has made an agreement with 90 percent of the plumbers and firms specializing in this work. An interested person need only call a participating installer (the list of them can also be found in the company's offices) and get an estimate made. When the work is finished, he does not have to pay a cent, and sends the documentation to Italgas, which will see that he is paid the 20,000-lire refund (off the price of the hot-water heater) and will set up installment payments for the work.

We had forgot to mention that in contrast with city gas, which has been used until now, methane is not even toxic, because it does not contain carbon monoxide: still another reason for using methane to take a bath.

Here Is the Cost Comparison

	With electrical energy	With methane
	Usages with installed power up to 3 Kw - more than 3 Kw	

Average annual consumption	Kilowatthours	1,100	111,24 Lire/m ³	439.69
		[as published]		
Unit cost with fixed rate	Lire per kilowatthour	82.08	m ³	141.12(*)
Annual energy expense	Lire	90,288	122,364	62,049

(*) from average electricity consumption increased to account for pilot-light consumption

In Rome there are 854,000 electric "boilers" and only 49,000 gas hot-water heaters: a ration of 20 to 1. If the campaign launched by the City of Rome and Italgas were so successful as to persuade everyone, all of the city's hot water would be produced by gas in about 10 years (the maximum lifetime of a "boiler"). This would mean enormous savings, for individuals and for the community as a whole. A figure of something like 100 billion lire per year is spoken of.

Not by chance, adviser Della Seta, in another press conference, called the use of electricity to heat water absurd. It is an infernal practice characterized by waste. Gas-oil arrives at the electric power plant, where it is burned (that is, transformed into heat) to produce electricity. The electricity is then sent into homes to be transformed back into heat. With gas, all this does not happen. Far more simply, water is heated on contact with the heat produced by the gas, within a few seconds.

But the choice of natural gas, of "blue energy" (as many call methane), is dictated not only by economic considerations; there are also environmental, ecological considerations, especially if the gas is used to heat environments, homes. Among the great cities of the world, Moscow--as everyone has recognized--is the "cleanest," the least-polluted, and this is precisely because there has been for years now a law prohibiting the use of gas-oil for heating. As is known, gas-oil emits toxic residues into the air as it burns, while natural gas burns completely and does not leave residues.

It is for this reason also, then, that the communal administration did not have any doubts a few years ago when the question of giving an energy choice arose. Algerian methane was about to arrive in Italy, and steps were taken rapidly in order for a portion of this resource to come to Rome also--naturally, without cutting into the quantity which (according to the government's promises, at least) is earmarked for development of the Mezzogiorno.

At the same time, efforts have been made to accelerate as much as possible the total methanization of the city--that is, to bring methane where nothing has arrived until now (the new districts and the neighborhoods on the outskirts) and to make over the old system, built more than 50 years ago to transport manufactured gas.

What point are we at? At present, more than half of the city receives or is capable of receiving methane; from January to October of this year (thus, barely 10 months), more than 33,000 hookups have been converted, and the residents of outlying neighborhoods such as Isola Sacra, Fiumicino, Prima Porta, Labaro and Settebagni no longer have to use cylinders.

After the campaign to abolish the "boilers," the City of Rome and Italgas will probably launch another one for the use of methane for home heating also. Here too, the advantages could be enormous. One need only consider that with gas it is possible to have individual installations, so that it would no longer be necessary to heat empty homes needlessly as well.

11267
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BANKS TO OFFER USSR CREDITS FOR GAS DEAL

LD041443 Rotterdam NRC HANDELSBLAD in Dutch 27 Nov 80 p 1

[Article: "Banks To Lend 3 Billion Guilders for Russian Gas"]

[Excerpt] Rotterdam, 27 November--A consortium of Dutch banks led by the Algemene Bank Nederland is prepared to make a 3 billion guilder credit available to the Soviet Union. The Dutch Government is prepared to stand security for this credit.

The loan will constitute part of the major gas deal on which negotiations between the Soviet Union and a number of West European countries are taking place.

A letter confirming the arrangements will soon be sent by Van Aardenne, minister of economic affairs, to Mr Patolichev, Russian minister of foreign trade.

The Russians have offered to supply 40 billion cubic meters of natural gas per year to West Europe, in addition to the gas already consumed by a number of West European countries. According to the latest reports, the Netherlands will now definitely opt for 5 billion cubic meters per year out of the 40 billion cubic meters. This amount could then be consumed for 20 years.

In Exchange

It already emerged during Mr Osipov's, Russian deputy minister of foreign trade, visit to The Hague in mid-October that the Russians wished to finalize the gas deal with West Europe (and thus with the Netherlands, too) in the near future.

In exchange for the natural gas from West Siberia, the Soviet Union wants West European credits to finance the construction of the 5,000 km pipeline. A West German bank consortium has recently already promised a DM10 billion credit.

The essence of the letter which Minister Van Aardenne will be writing to the Soviet minister within a few days time is that the Netherlands is prepared to grant a credit, provided that in exchange for it Dutch enterprises can supply goods and services for the pipeline project.

Several consortiums of Dutch enterprises--including Bos Kalis, VMF Stork, Philips Rijn-Schelde-Verolme and Holec--are in the process of submitting tenders or have already done so. The tenders, which concern compressor stations, supplies of construction materials, pumps and smaller transport pipelines, must be in the Russians' hands by the end of this year.

BRIEFS

ENERGY DIVERSIFICATION INVESTMENT PROGRAM--Portuguese Minister of Industry Alvaro Barreto said that his country will invest \$40 billion between now and the end of the century to diversify its energy supplies. Particular effort will be dedicated to the nuclear area, which will also benefit from this program. In any event, Portugal has proven uranium reserves in excess of 10,000 tons which could be easily doubled or even increased ten-fold if an extensive exploration program is put into effect. [Text] [Paris DEFENSE ET DIPLOMATIE in French 17 Nov 80 p 2]

CSO: 3100

EUROPEAN PARLIAMENT CRITICIZES FINANCE MINISTERS' POLICIES

Rotterdam NRC HANDELSBLAD in Dutch 5 Nov 80 p 1

[Article by Rob Meines: "European Parliament Angry With Ministers"]

[Text] Luxembourg, 5 Nov--The population of Europe must not become the victims of the lack of foresight and the absence of political courage on the part of the finance ministers. That was the message the European Parliament tried to formulate yesterday in Luxembourg on the first day they worked on the European budget--about 50 billion guilders--for 1981.

The delegates were barely able to suppress their wrath in the process, as has been shown on many occasions in the past. This anger had overcome them some weeks ago when they had been obliged to watch while the ministers scrapped all the fine plans--and the accompanying funds--which were not supposed to lead toward a European Community in which everything would no longer revolve around agriculture. Those were plans in the area of development aid, regional policy, social policy, industrial policy, energy conservation and research, and transportation policy.

Dozens of European Parliament members let it be known--just like last year--that they will not let themselves be confined by the trammels the ministers--and that is to say, the governments--have had imposed. All the points scrapped must be re-instituted and increased to at least the figures proposed in July by the European Commission, the executive authority of the European Community, so they said.

It was suggested as a matter of strategy by the Socialist caucus that amendments ought not to be offered on every point because that would make it completely impossible for the ministers to be willing to compromise.

The Christian Democratic caucus (with 110 seats the second-largest caucus after the Socialists with 113 seats) did not follow that strategy.

The proposal to increase the community's own income a bit without having to ask for more of the BTW [Added Value Tax] remission comes from that caucus. Dutch Christian Democrat Harry Notenbaum presented it. The EC countries are now permitted to retain for themselves 10 percent of the tariffs and agricultural taxes they collect. That is to say: that money is paid back to them as a sort of incentive for them to actually collect the taxes. If that were reduced to 5 percent, it would produce 1.2 billion guilders in private funds for the EC.

6940

CSO: 3105

EC's DAVIGNON INTERVIEWED ON STEEL QUOTAS, CARTELS

Hamburg DER SPIEGEL in German 3 Nov 80 pp 30-32

[Interview with EC Commissar Etienne Davignon About the Steel Cartel: "It Doesn't Help To Complain"]

[Text] SPIEGEL: Count Davignon, you have prevailed in the European steel dispute. Now even the German iron works must throttle production in accordance with your quotas. Why this massive intervention in the steel market?

Davignon: There was absolutely nothing else left for me to do. In the middle of the year the situation in the steel industry became so critical that I simply had to act. Orders had declined by 16 percent, and prices had long since failed to cover costs. It was taking a disastrous turn because of the fact that several conglomerates no longer adhered to the voluntary cartel which they formed in 1976.

SPIEGEL: As for example the German Kloeckner Co....

Davignon: I do not intend to draw up any long protocols or to put on seminars dealing with who is ultimately at fault. I want to reestablish agreement in the European steel industry so that the companies will find their way back to voluntary self-limitation. Given the current excess capacities, this branch of industry would only be torn apart without agreements.

SPIEGEL: Will there ever again be competition in this branch? National companies which chronically run a deficit in France, Italy and Great Britain surely are not interested in this.

Davignon: Our resolutions are specifically to create the conditions for competition. It would be grotesque if we were to permit the steel managers to take shelter behind Brussels with their high losses. We will not be their alibi in this.

SPIEGEL: In the past 5 years the governments in Rome, Paris, London and Brussels have kept their national conglomerates alive with subsidies of DM25 billion. The Germans, who modernized their plants a long time ago, feel that they are being penalized by you.

Davignon: I can prove to you that subsidies no longer result in distortions of competition or in the punishment of others. That may have been the case earlier. Entire enterprises with state subsidies have recently been shut down in Great

Britain. Nor did that trigger a revolution among the employees. For the workers realized that such measures are necessary to guarantee the majority of the jobs.

SPIEGEL: But those are exceptions. For the most part gaps in the balance sheets are filled by means of subsidies. And now the managers can even lay the blame for their losses on Brussels.

Davignon: You are overlooking the fact that the attitude of governments has changed drastically. No longer are subsidies paid indiscriminately just for the sake of preserving jobs. In the future Brussels will review each individual state subsidy to determine whether it is in fact really being used for restructuring measures.

SPIEGEL: How do you intend to monitor that?

Davignon: Every 2 weeks we will sit down with the companies and the steel consumers. In the process we shall not only discuss whether we must adjust the average 18-percent reduction in production, which we have now established, to the altered realities of the market. In these discussions the companies will also have to tell us how far along they are with rationalization.

SPIEGEL: Do you feel, as is feared on the Rhine and Ruhr, that you are now the supreme steel boss in the EC?

Davignon: Not at all. In general I think it is not good for an agency like the EC Commission to bear the responsibility for the steel companies. Every industrialist should also continue to be able to make his own decisions. We want only to transmit information. But it simply must not happen again that a conglomerate spends hundreds of millions for a blast furnace which upon completion is no longer used. That would simply be unreasonable.

SPIEGEL: Is it perhaps reasonable if we establish a new mammoth bureaucracy for steel such as we have had for years for the agricultural market?

Davignon: That is out of the question. We want to create the prerequisites so that the European steel industry will adapt to the altered situation in the world market and possibly by 1985 will again be competitive internationally. By February we will have a design as to how the excess capacities in Europe can be reduced.

SPIEGEL: You are planning up to 1985 and want to push all that through between February and June 1981?

Davignon: That is not planning. I want only to achieve a consensus among the companies. Anyone not grabbing at this straw cannot be helped.

SPIEGEL: German steel manufacturers fear that there will not be a consensus and that then your planned economy in the steel industry would result in a permanent condition.

Davignon: You insinuate that I am an advocate of the planned economy. I, perhaps even more than your minister of economics, my friend Lambsdorff, despise crisis

article 58 of the EC Treaty on the Establishment of the European Coal and Steel Company. I do not believe that in the long haul the economy can be guided in that way. But the complaining of the German steel manufacturers is of no help, either. At first they helped ruin the voluntary cartel. And now they are pressing for voluntary agreement.

SPIEGEL: What happens after 30 June?

Davignon: The choice is only between two possibilities: either total competition and thus a very much more brutal market situation than we have had so far; or the conglomerates will agree to a voluntary solution. Believe me, I do not know 2 of the 350 steel manufacturers who want a free market and thus anarchy.

SPIEGEL: We are aware of yet a third possibility--extending your compulsory cartel.

Davignon: You must also have a little confidence in what I am saying. Without any ambiguity: the date is 30 June.

SPIEGEL: But if European governments press the EC Commission for an extension?

Davignon: Not for 1 second would I remain in a commission which makes a decision that is counter to the commitment which was jointly entered into. That happens to be my nature and at age 48 you no longer change your personality.

12124

CSO: 3103

NETHERLANDS GOVERNMENT FAILS TO NAME CANDIDATE TO EUROPEAN COMMISSION

Rotterdam NRC HANDELSBLAD in Dutch 23 Oct 80 p 1

[Text] The Hague, 23 Oct--The Dutch government failed to put forward one clear candidate for the European Commission.

Even though it had been intended that the future chairman of the commission, Luxembourgier Gaston Thorn, should be given one name during his visit to the Hague yesterday, Prime Minister Van Agt and Minister Van Der Klaauw (Foreign Affairs) mentioned several names and indicated Dutch interest in several important positions.

Thorn expects that Denmark will want to keep Grundelach, the current commissioner for agriculture, in his post in the new commission (which starts work 1 January) as well. That means that the chances for Minister Van Der Stee to take over that portfolio are not great. Still, it may be assumed that his name was dropped, as well as that of former minister Frans Andriessen.

The name of the former treasurer general of finance, Dr C.J. Ort (VVD [People's Party for Freedom and Democracy]) is also said to have been mentioned; he is a member of the board of directors of the General Bank of the Netherlands.

This morning, in responding to questions from Chamber Member Patijn (PvdA [Labor Party]), Van Der Klaauw did not want to say anything about the portfolios for which the Netherlands had expressed a particular interest.

He referred to the possibility that there might be changes in the make-up of the portfolios, which would change their importance. It is rumored that having some of the sitting commissioners change seats is being considered. It is said that Davignon, the current industrial commissioner, could take up Ortoli's budget portfolio. Cheysson is also mentioned for a different post.

The Luxembourg minister of foreign affairs said yesterday afternoon that the Netherlands had presented itself as "very neighborly," which fits in well with the congenial character of the commission he hopes to direct.

Perhaps Tomorrow

Van Der Klaauw thought that he and Prime Minister Van Agt had obtained enough information from the discussion to make it possible for the Council of Ministers to make a choice swiftly as to one candidate, perhaps this coming Friday.

Yesterday afternoon Thorn discussed European problems such as the crisis of the steel industry, the EEC budget and the "European legal area" (cooperation in the area of pursuit and jurisdiction) with the ministers of finance, economic affairs and justice.

In the afternoon, Thorn and Van Der Klaauw also talked about the situation in the Middle East and the Conference on European Security and Cooperation in Madrid.

When asked, Van Der Klaauw said that the Netherlands--and it was clear from his words that in this the Netherlands stands alone in the European Community--continues to reject French President Giscard d'Estaing's opinions about the "espace judiciaire."

6940

CSO: 3105

BRIEFS

TURKS NEED VISAS FOR BENELUX--The Hague, 23 Oct--The Benelux partners have decided to institute a visa requirement for Turkish subjects as of 1 November. The visa requirement must have a limiting effect on the entrance of Turks into Benelux countries, according to the Ministry of Foreign Affairs. According to the ministry, visas will be issued immediately to travelers with bona fide purposes. Turks who are in Benelux legally and established there will continue to be admitted without visas on the showing of their residence permits. Since Germany [FRG], France and Switzerland reinstituted a visa requirement for Turks some time ago, it came to be feared in Benelux that a stream of Turks seeking work would come to Benelux. It will be determined after 6 months, depending on the situation existing then, whether a visa requirement is needed any longer, according to Foreign Affairs. (ANP [General Netherlands Press Agency]) [Text] [Rotterdam NRC
HANDELSBLAD in Dutch 23 Oct 80 p 1] 6940

CSO: 3105

BRIEFS

TOURIST TRAFFIC WITH USSR--According to Intourist Vice Chairman Vladilen Pryakhin, who introduced a new program of inexpensive tourist trips to the Soviet Union in Graz on 2 December, the number of Austrian tourists who visited the USSR in 1979 was about 25,000, and an equal number of USSR citizens visited Austria last year. [AU052219 Vienna VOLKSSTIMME in German 5 Dec 80 p 6 AU]

TRADE WITH USSR--Austrian export to the USSR has suffered a setback this year. Austria's trade delegate in Moscow, Friedrich Draszczyk, estimates this year's Austrian exports to the USSR will reach at best 6-7 billion schillings, as against imports from the Soviet Union expected to be 12-13 billion schillings. Thus, the export-import ratio in Austria's trade with the USSR which in the past few years was 2:3 will deteriorate to 1:2 this year. [AU052219 Vienna WIENER ZEITUNG in German 1 Dec 80 p 7 AU]

GDR ORDER-- The Austrian Elin-Union Company has received from the GDR an order for a complete 40 megavolt-ampere transformer plant including the electronic equipment for the German railroads, worth 100 million schillings. The Elin Company has supplied and assembled all railroad transformer plants built in the GDR since World War II. [AU052219 Vienna VOLKSSTIMME in German 28 Nov 80 p 2 AU]

CSO: 3103

BRIEFS

VMO AGAINST GUEST WORKERS--About 300 members of the extreme-right organizations VMO [Flemish Militant Order], Were di, Voorpost, NSV [Flemish National Socialist Workers' Party] and the Flemish Block marched through Antwerp last Saturday in a demonstration against foreign workers in our country. VMO leader Bert Eriksen stated in a speech that the foreign workers really ought to return to their country. He attacked the system of illness- and disability insurance on which the foreign workers are sponging according to him and against the unions which, according to him, take in millions [of Belgian francs] in membership dues from their foreign members. The demonstration was escorted by an impressive police force which was to prevent the demonstrators from coming to blows with counter demonstrators of the anti-fascist front. Ultimately a little skirmish did occur, namely between the counter demonstrators and the police, in which a few members of the anti-fascist front were arrested. The ACV [Confederation of Christian Trade Unions], almost as a right to an answer, is organizing a demonstration in Brussels this coming Saturday by which that union wants to show its solidarity with the foreign workers in our country. The manifestation, already announced earlier, forms part of an information campaign of the christian union which wants to point out to the public and the government that foreign workers are wage earners with full and equal status. [Text] [Brussels KNACK in Dutch 8 Oct 80 p 24] 8700

CSO: 8114

CUSTOMS UNION WITH EEC EXPECTED BY END OF DECADE

Nicosia CYPRUS MAIL in English 29 Nov 80 p 1

[Text]

CYPRUS CAN EXPECT FULL CUSTOMS UNION WITH THE COMMON MARKET BY THE END OF THE DECADE, FOREIGN MINISTER NICOS ROLANDIS SAID YESTERDAY.

«We should realise that even if we were offered Customs Union tomorrow we would not be able to accept it because Customs Union is not something easy. The economy needs readjustment», the Foreign Minister said and described the agreement reached in Brussels as «significant».

«As from January next we are practically leaving the area of the first part of the Association Agreement and entering the area of the second part. This transition is very significant. We are breaking, so to say, the political, economic and even the psychological barrier and entering the second part», he said.

Mr Rolandis, who was meeting the press to explain the essence of the agreement reached in Brussels where he headed the Cyprus delegation to the talks with the EEC Association Council, said instructions have already been given to the various government services to prepare studies so that Cyprus shall be able to adjust the economy and conditions to the second stage and especially to a Customs Union.

The Foreign Minister said that the 1951 terms will be the same as those of 1950 though certain adjustments will be made.

The years 1982 and 1983 will be the beginning of the new era for consultations about improvement of the conditions for Cyprus produce exports to the Common Market countries — chiefly potatoes, wine products and citrus fruit.

Thanks to the new agreement Cyprus will be able to make a better planning of both its agricultural and industrial production while proceeding to the second part of the association agreement and negotiating the content of the various phases of which it consists.

Reduce tariffs

Especially about potatoes and wines the Cyprus government will seek to reduce tariffs, extend the period of admission and raise the quotas admissible.

He thought that what has been achieved is a fairly balanced arrangement and Cyprus must go ahead to negotiate the various stages and find out what is best for the Cyprus economy as regards both the industrial and agricultural production.

We are moving from one room into another and shutting the door behind us.

While in Brussels he had said that he was quite satisfied with the results.

Mr Rolandis underlined, in answer to questions, that the agreement was concluded between the EEC and the Cyprus government and it is agreed that the arrangements will benefit the whole of the population.

Meanwhile, the Turkish Cypriot spokesman for foreign affairs, Mr Atakol, expressed disappointment over the agreement with the EEC Association Council saying this was in line with the wishes of the Greek Cypriots and overlooked the interests of the Turkish Cypriots who would continue to be unable to profit from the benefits offered.

«Such a situation is not going to help the search for a fair and lasting solution because it would worsen the economic imbalance between the two communities», Mr Atakol said.

BUSINESS LEADERS ATTACK TOWN PLAN

Nicosia CYPRUS MAIL in English 28 Nov 80 p 1

[Text]

THE Larnaca Chamber of Commerce and Industry believes that the town planning regulations for the town have great shortcomings which will act as a disincentive for development.

The Chairman, Dr H. Francis, speaking at the Chamber's annual meeting yesterday, said that a team of town planners and architects had been commissioned to prepare a comprehensive study with a view to ease the effects of the regulations.

«The most competent to decide about the future of the town are its residents and they have been completely ignored in this instance», Dr Francis said.

The Chairman said that the building zones make no provision for touristic development, do not help the erection of cheap housing units and restrict the construction ratio so much as to render future investments impossible.

Dr Francis also complained about the timing of the town's zoning regulations without similar regulations being applied to other towns and this, he said, would have a deterrent effect on the town's development.

The Chairman also voiced other complaints about the government delaying necessary infrastructural work.

«I cannot know which are the priorities of the government in the development of the country but cannot help seeing with much suspicion the policy of the government towards the problems of Larnaca», he said.

Unfulfilled

Several projects approved for Larnaca in the budgets remain unfulfilled, he said, and mentioned as instances the delay over the free industrial zone which was supposed to have been launched in August 1978, the erection of new warehouses for Larnaca port and irrigation works for the potato growing area of Larnaca district.

Dr Francis also complained about the under-employment of the port and said that the Ports Authority should see about a fair distribution of work for the two ports of Larnaca and Limassol.

He also referred to the sinking of the ferry «Zenobian» off Larnaca and said that measures should be taken to lift it from the bottom of the sea or to completely empty its oil content because the danger of new pollution is always present.

Dr Francis also referred to the problems of inflation and higher costs and called for easing of the credit squeeze which affects export-oriented businesses and suggested that the time has come to look for the formation of trading companies because the Cypriot manufacturing units by their size and nature are not in a position to have proper export departments or engage qualified staff for the exploration and research of foreign markets.

MAJORITY SAID TO FAVOR NON-PARTY PRESIDENT

Nicosia CYPRUS MAIL in English 23 Nov 80 p 1

[Text] **THE GREAT MAJORITY OF THE CYPRIOT PEOPLE WOULD LIKE THE PRESIDENT TO BE A NON-PARTY MAN, BUT AT THE SAME TIME THEY ARE IN FAVOUR OF THE PRESENT OFFICE REGARDLESS OF THEIR OPINION PRESIDENT RUNNING THE FULL TERM OF HIS ABOUT HIS PERFORMANCE.**

These are the results of the opinion poll conducted by the Middle East Research Centre.

Another opinion poll carried out by the same Research Centre found the majority of people favoured the intercommunal talks, and that a large proportion did not insist that all refugees should go back to their homes in a biregional federation.

The representative nature of the conclusions was challenged by Akel which disputed the way the sampling was composed, and said that such public polls are of service to reactionary capitalist quarters.

But a statement by the Research Centre said the sampling was quite representative in accordance with official statistical figures about status and employment, and insisted that the opinion poll was carried out in accordance with the norms of statistical science.

Dismissing charges that the poll served expediency, the Research Centre said that the initiative was taken simply with the aim of introducing a practice which would reinforce the consolidation of democratic processes.

Chairmanship

According to the section of the survey which covered the position of the President as chairman of the Democratic Party, the conclusion was that the majority of those who had

expressed themselves in favour of the President continuing his term, believed that it would be better if the President ceased to be the chairman of his party as well.

The opinion poll also extended to a question to the 900 voters of the sample as to how they would vote if elections were to take place in a week's time.

More than one third, actually 35 per cent, replied that they were undecided.

For the rest, 19 per cent of the total favoured the Rally Party (Glendes), 13 per cent Akel and 14 per cent the Democratic Party (Kyprianou's).

Next comes the PAME of ex-Minister of Education, Dr Sofianos, with 8 per cent, 4 per cent the socialist Edek (Lyssandos), and 4 per cent the New Democratic Movement (NDP) of House President Mr Michaelides.

Regroupings

The group of the former negotiator in the intercommunal talks, Mr T. Papadopoulos, was accorded only 1 per cent. It is explained that the poll was carried out before Mr Papadopoulos announced the formation of the Union of the Centre.

Asked whether the recent regroupings of the centre parties and the Democratic Party would favour or harm the Rally Party, a little more than half were of the view that this would favour the Rally.

Another question asked was which of the three parties of the centre — the Democratic Party (Kyprianou), the New Democratic Movement (NDM) of Mr Michaelides and the Union of the Centre (Papadopoulos) — would emerge the stronger after the regroupings in the Democratic Party; the replies differed, though one third had no opinion.

But the majority of Democratic Party members thought that their own party under Kyprianou would emerge stronger, whilst the followers of other parties thought that the NDP of Mr Michaelides would be the stronger.

Of those questioned, 68 per cent said they are interested in politics but only 8 per cent said they are actively involved in politics.

POLL INDICATES GROWING ACCEPTANCE OF BIZONAL SOLUTION

Nicosia THE CYPRUS WEEKLY in English 21-27 Nov 80 p 1

[Text]

A public opinion poll conducted this month suggests that more Greek Cypriots are becoming "realists" —and would be willing to accept a bizonal settlement to the Cyprus problem:

The survey, described as "most fair and objective", was carried out by the Middle East Marketing Bureau headed by Mr George Vassiliou, a leading economist. It covered 900 people spread throughout the island, including towns and villages.

Mr Vassiliou told a press conference at his Nicosia office yesterday "My own assessment is that the survey shows Cypriots are realists"

OPTIMISM

Most of the people interviewed (87 %) came out in favour of negotiations as a way of settling the Cyprus problem.

When asked if they were optimistic about the final outcome of the talks now in progress, 54 % of them said Yes, while 35 % were pessimistic. The percentages remained practically the same in the case of men and women and among people in towns and villages.

But the tabulation on ages showed only 41 % of people in the 20-24 age group were optimistic. The percentage grew among older people. In the survey 60 % of the people over the age of 55 said they were optimistic that the talks would produce results.

BIZONAL

The most interesting part of the questionnaire on the Cyprus problem was the question: What do you see as the most likely solution?

According to the survey, 42 % thought a solution would provide for the return of all refugees to their homes while 40 % said they believed that "bizonal federation without the immediate return of all refugees" was the most likely settlement.

Significantly, the percentage among refugees voting for the latter rose to 44 %. Only 42 % of the refugees thought they would all be going back.

Among people without any education, 66 % believed in a solution with all the refugees going back to their homes. But the proportion of those voting for such a solution dropped among educated people.

Among university graduates, only five per cent thought there could be a settlement with all the refugees going back, 74 % voted for a bizonal solution.

Only 9 % thought the situation in Cyprus would remain as it is now and an even

smaller proportion thought two independent states or double enosis as a likely settlement.

People were also asked: What effect will Greece's reintegration into NATO have have on the solution of the Cyprus problem?

N.A.T.O.

The survey findings showed 43 % believed it would have a positive effect; 27 % thought it would have no effect, while 16 % believed it would have a negative effect.

Replying to another similar question, 49 % said Greece's return to Nato would strengthen the Greek position vis a vis Turkey, while 15 % supported the view that it would weaken Greece, 21 % thought it would make no change, and 15 had no opinion.

ECONOMY

The survey showed many people thought a strong and stable economy and a neutral policy and closer relations with the Third World countries were the most important factors. The percentages were around 20 %.

Another 17 and 15 per cent respectively voted for closer relations with Greece and the West, seven per cent voted for closer links with the socialist countries, and only 9 % thought Cyprus could achieve security through a strong Cyprus army. Eleven percent said they did not know.

HOSPITAL CHARGES REVISION UNDER CONSIDERATION

Nicosia CYPRUS MAIL in English 28 Nov 80 p 1

[Text]

A DRAFT SCHEME FOR A NATIONAL HEALTH SERVICE HAS BEEN PREPARED AND HAS ALREADY GONE TO THE VARIOUS TRADE ORGANISATIONS FOR THEIR CONSIDERATION.

This was stated in the House of Representatives yesterday by the chairman of the parliamentary committee for health affairs Mr Thalios Michaelides during a debate to approve new regulations with revised charges for government hospital services.

Under these regulations more people of the lower and middle income groups are becoming eligible for free medical aid.

The income limit for those eligible for free treatment is raised by about 75 per cent.

Thus, village headmen can issue 'white certificates' to single people whose income does not exceed £700 and to married people whose family income does not exceed £900 a year.

Certificates for reduced charges can be issued to single people with an income of from £700 to £1,000 or married people whose income is between £900 and £1,300 a year.

Holders of a 'white certificate', public servants and pensioner public servants and their dependants shall pay 500 mils a day in 'first class' wards, 300 mils a day in 'second class' and 150 mils in 'third class' wards.

Out-patients

Holders of certificates entitling holders to reduced charges shall pay 750 mils a day.

administrative staff of the Ministry for whom Mr Ambizas ought to have words of praise.

But Mr Ambizas said that he was not referring to anybody personally but was upset that several hospital doctors are amassing wealth whilst the people are being caused hardship.

But the charges for out-patients without a certificate are increased and the charge per day for hospitalisation for them is raised to £10 if in the first class and £5 in the second class and £3 for third class.

The regulations provide for increased fees of up to 35 per cent for various operations for outpatients and that includes childbirths for which a patient can opt for government hospital treatment.

There was a clash between the former Minister of Health Mr Vakas, who is now a member of the 'Union of the Centre' and the parliamentary spokesman of the New Democratic Movement (NDP), Mr St. Ambizas.

Mr Ambizas was critical of the situation prevailing in the hospitals when Mr Vakas retorted that this was an attack against the present Minister of Health, Mr Tombazos, adding that there are several honest members of the medical and

BALTIC ISLAND CUTBACKS EXAMPLE OF DEFENSE DILEMMA

LD100913 Copenhagen BERLINGSKE TIDENDE in Danish 3 Dec 80 pp 1, 2

[Article by Christian Broendum and Jens Thomsen: "Bornholm Defenses Down From 1,800 to Only 560 Men"]

[Excerpts] Since 1960, Bornholm's defenses--according to military estimates made this fall--have been reduced from 1,800 men to 970 men. And an unchanged defense budget--the so-called zero solution--would mean a further reduction, so that the future military force on the island would only amount to 560 men.

Defense Minister Poul Soegaard's statements to BERLINGSKE TIDENDE on the consequences of a zero solution for defense policy clash with the army's own figures.

Poul Soegaard said yesterday that the zero solution would perhaps mean for Bornholm that one company of conscripts due for callup in February would not be called up. However, the defense minister said that no final decision had yet been made about this. At the same time the minister stated that, of the regular full-time defense staff of 377 posts, around 90 are unfilled because it has not been possible to find applicants. But the Bornholm defense force has been given permission to hire the personnel as this becomes possible.

The prospects of significant reductions in the force on Bornholm has led Folketing member and former agriculture minister Niels Anker Kofoed (Liberal Party) to direct strong criticism at the government's plans for an unchanged defense budget. He told BERLINGSKE TIDENDE that Bornholm's small-scale example throws the whole defense debate into relief and makes it possible to grasp the consequences of a zero solution.

Folketing members Arne Christiansen (Liberal Party) and Palle Simonsen (Conservative Party) also consider Bornholm an example of how Danish defenses are now being undermined.

Replying to the criticism, Poul Soegaard said yesterday that there is no reason to adopt a tone "which more or less frightens Bornholm's population into believing that the island has no remaining defenses."

The Danish Army will be in a position to defend Bornholm in the event of an attack. Special provision has been made for the island's defense in military planning for the 1980's, said defense staff chief Lt Gen G. K. Kristensen.

"We have transferred a tank squadron to Bornholm defenses, and we have plans for further improvements up to 1985, in that we will be building up another local defense battalion on Bornholm," he stated. He stressed that the defense of Bornholm has to a large extent become a task for the Air Force and Navy and that there would be special help from the West German Air Force and Navy.

"However, I think that an isolated attack on Bornholm would be extremely unlikely. It would be an attack on NATO and would thus be able to lead to a major war," he said.

CSO: 3106

BRIEFS

DEFENSE COMMAND STAFF CUTS--It is not only the Bornholm Defense Regiment which is being hit by staff cuts. There are also cutbacks at the highest levels in the defense forces, at the Defense High Command in Vedbaek. "There will be cuts of at least 10 percent in the staff at the Defense High Command under the new defense plan," defense staff chief Lt Gen G. K. Kristensen told BERLINGSKE TIDENDE. "The Defense High Command comprises 650 people. We are in the process of cutting 10 percent of this staff and have already achieved cuts of 5 percent," the general said. The Defense High Command has produced a comprehensive project for delegating various tasks which would make it possible to reduce the staff at Vedbaek by 30 percent. The project would mean that a number of tasks which are now carried out by the high command would be delegated to local commands and operational commands. It covers the Labor-Intensive Personnel Administration for instance. It is also intended to delegate the administration of full-time staff to subordinate bodies, regiments, naval and air force stations and the administration of home-based, mobilizable staff to the operational commands, which would use this staff in a war situation. The comprehensive delegation project is now at the Defense Ministry. According to BERLINGSKE TIDENDE's information it has not met with tremendous enthusiasm here. [Text] [LD101519 Copenhagen BERLINGSKE TIDENDE in Danish 4 Dec 80 Part 1 p 2]

CSO: 3106

CONTROVERSY CONTINUES ON BUNDESWEHR CEREMONIES

Hamburg DIE ZEIT in German 7 Nov 80 p 5

[Article by Karl-Heinz Janssen: "Does the Bundeswehr Need the Tattoo? Dispute About Bundeswehr Traditions Continues"]

[Excerpts] "Please, please, do not allow the so very serious job of being a soldier today to be sullied!" President Theodor Heuss

The horn is sounded. Because Minister of Defense Hans Apel no longer will and can call off the Tattoo, defying all opposition. Thus, on Wednesday of next week, when the Bundeswehr celebrates its silver jubilee, on the cathedral square, in Bonn 150 recruits will give their "Solemn Pledge" under the night sky with torchlight and the roll of drums. After the bad experiences in Bremen and elsewhere the unworthy spectacle is being repeated in the nation's capital with more police than soldiers being called out for the ceremony.

Hans Apel, in a Luther-like pose of "defiance," has insisted on grand concert and conferring of orders although prominent Social Democrats in the party executive committee and Land governments no longer understand him and although the party youth is rising against him, to the detriment of the Social Democracy, to the detriment of the armed forces and the republic, too.

Apel is the third Social Democrat defense minister following Noske and Leber who thinks he is misunderstood by the public and his own comrades. His behavior is dominated by the concern "that the tattoo"--as he announced on Monday in the FRANKFURTER RUNDSCHAU-- "is just a vehicle for many people to articulate their resentments against the Bundeswehr, against NATO and against other developments of the security policy."

Pretext for Protests

Those "creators of chaos" and those followers of the "Red Army Faction" who assaulted the Bundeswehr in Bremen with stones and molotov cocktails would surely not contradict him in this. But even for the Young Socialists and Young Democrats and the many thousands of young people who demonstrate peaceably the issue is more than a tradition, which in their view is wrong. Using this welcome occasion they raise their voices at the same time against new nuclear rockets on German soil and against a foreign policy which in their opinion endangers detente, in favor of democratic education for soldiers and for the unrestricted right to be conscientious objectors.

Yet why provide them then unnecessarily with the pretext at all through the vehicle of provocatively patriarchal spectacle? Why propagate traditions by hook and by crook in soccer stadiums and on market places which, in order to quote Bundeswehr reformer Count Baudissin, have their origin in times which "mean nothing politically or professionally to those eligible for military service?"

The Ministry of Defense counters such objections by claiming that the public pledge developed a long time ago into a tradition that is particular to the Bundeswehr. In fact, in May 1957 ceremonies of commitment and the Tattoo were combined for the first time in several cities, even in Hamburg, the reserved Hanseatic city. Apparently no one was offended at the time. Why then since the May riots in Bremen has this ceremonial been the subject of so much talk?

Anyone asking such a question overlooks the fact that Bremen did not simply drop from the sky. All sorts of motives flowed together in that demonstration (which was misused by rowdies): the reservations of many young people toward President Carstens (because of his National-Socialist past), crisis anxiety caused by Afghanistan, Iran and "rearming" (stirred up by Helmut Schmidt's reference to 1914), the concern about the continuation of the detente policy (which some saw endangered by an ostentatious NATO celebration).

In the meantime, even Hans Apel has gotten the idea that some things about the tattoo could be anachronistic. Nonetheless, he holds fast to it. He would of course not want to hurt old soldiers, whose eyes become moist as soon as the hymn rings out.

The differences in opinion and taste cannot be reconciled. For Minister of Defense Franz Josef Strauss the Tattoo was a "solemn expression of the seriousness with which the soldier is supposed to fulfill his duty"--at the same time President Heuss was making fun of military marches which, in view of modernization, are suitable only for bandstand concerts in order to stir up civilians. What Hans Apel considers to be a meaningful tradition appears to many of his comrades as an "intolerable to-do," as an "antediluvian form." Bavarian Social Democrat Rudi Schoefberger stated what many are thinking: public military pomp and chests decorated with ribbons and medals are as fitting for the Bundeswehr as "spiked helmets and muzzle-loaders are for the atomic bomb."

After the ceremonies Apel intends to listen to reason in respect to the tradition. It would have been better if he had thought about it beforehand. Nonetheless, the decree on traditions of the Bundeswehr stemming from 1965 (which Apel's state secretary in parliament had not even read many months after taking office) begins with the programmatic sentence: "Tradition is the passing on of the valid heritage of the past." But what is there about the Tattoo that is "valid heritage"--valid in the meaning of the democratic new beginning after 1945?

Tasteless Ritual

Although after World War II the tattoo was downgraded to an evergreen by countless presentations at wine and music festivals and rifle matches, the Bundeswehr adopted it in its repertoire of tradition. They use it to retire their highest ranking military people and honor meritorious politicians. Yet in view of one of its reformers from the zero hour, the ceremonial is good "only for the intimate use of

the Bundeswehr." Count Baudissin, who takes very seriously the oath of the career and long-service soldiers and the solemn pledge of the men liable for military service, wanted to avoid "having this most intimate and personal action turn back into a pompous and anonymous collective exhibition...a means of coercion which subjugates others with body and soul," or, as one of his former staff workers states it more casually: "pouring oil on feelings so that the command slides better."

Not all the opponents of the tattoo want to do away with the public pledge, too (in front of invited guests in the barracks or before all the citizens on the market square). It is indeed true: to banish the Bundeswehr to the ghetto would mean acting contrary to the concept of the "citizen in uniform." That would also be politically foolish. One of the critics, the SPD deputy fraction chairman in the Bundestag, Horst Ehmke, in August called the attention of the political leadership of the Bundeswehr to the fact that the form as now practiced contradicts the basic democratic idea: he perceives the hymn to be "a tasteless thing," the command "helmet off for prayer" to be "politically and religiously impossible." The only appropriate thing is the national anthem.

There has been no lack of suggestions as to how to make the Bundeswehr's jubilee folksy and timely: with street festivals, veterans meetings, discussions, historical retrospection, invitations to parents, workers, students. Yet Apel did not even invite the 100 soldiers of the first hour.

In 25 years the Bundeswehr has developed its own tradition of which it can rightly be proud: based on freedom, constitutional, directed at preserving peace, committed to human rights. Yet what of all this does it reveal publicly? The supreme commander's understanding of tradition appears to be wearing out in resorting to predemocratic, biedermeier rituals: tradition is military music. Should that really be the Bundeswehr as the citizens wish it?

12124

CSO: 3103

COURT RULING EASES POLITICAL ASYLUM REQUIREMENTS

Hamburg DER SPIEGEL in German 17 Nov 80 pp 83-85

[Unattributed article: "The Most Beautiful Ruling--a Decision by the Federal Constitutional Court Settles Questionable Judicial Treatment of Applicants for Asylum"]

[Excerpts] In accordance with a new ruling by the Federal Constitutional Court in Karlsruhe, which provides a new definition of the right to asylum guaranteed by the Basic Law, it will in future no longer be so easy to reject and expel refugees as readily as in the past.

During a proceeding concerning recognition of three Pakistani citizens as political refugees, the judges ruled that protection may be denied to persecuted individuals only if in their homeland "a repetition of persecution measures in the future can with absolute certainty be ruled out."

In the course of the same proceeding the constitutional court explained how political persecution is to be interpreted. Accordingly,

--even those refugees must be given asylum who are members of a persecuted population group, without each applicant for asylum having to "provide credible proof of measures directed against him personally";

--anyone must be recognized as being entitled to asylum who in his "professional and economic activity" is being impaired by measures which infringe on his human dignity and which "go above and beyond what the entire population of his homeland is generally forced to accept in view of the prevailing governmental system."

The Karlsruhe ruling restores what judges of lower courts have perverted in past months. And it gives some signals in a time of increasing hostility to foreigners, when politicians of all stripes are trying by means of laws, regulations and sometimes plain arbitrariness to stop the flood of foreigners into the FRG.

As recently as the middle of the election campaign, the Bundestag adopted in emergency session some questionable procedures (SPIEGEL 31/1980) designed primarily to return to their point of origin the mass of the 100,000 asylum applicants expected this year (1976: 11,000; 1979: 52,000) as quickly as possible. And in the

Bundesrat, Social and Christian Democrats are debating whether foreigners could not be sent home by individual judges in emergency session as soon as they cross the border.

Those three Pakistanis who had entered the FRG in 1975 and pleaded their case in Karlsruhe were to be sent back to Asia too; now their fate is again in the hands of the Bavarian Administrative Court. The three members of the Ahmedija sect had been denied entry by the Zirndorf "Federal Agency for Recognition of Foreign Refugees" as well, as they had later been by all three stages of appeal of the administrative court.

The Munich Administrative Court had of course established that in Pakistan there had been pogroms, engineered by Muslims, against the Ahmedis in 1953 and 1974. And that the parliament had debated a change in the law according to which adherents of the Ahmedija sect were threatened with jail sentences of up to 2 years.

There was also incontestable evidence that Ahmedis in their homeland were subject to discrimination, such as being barred from higher education and the civil service. And according to expert witnesses, it was "entirely possible" that violent attacks against the members of this religious community could be repeated in the future.

But inasmuch as "that situation did not exist in Pakistan at this moment," the administrative judges ruled that the applicants for asylum were exposed to any imminent danger to "health, life or liberty" and that therefore there was no "reason to fear political persecution." The Pakistanis were turned down; the Federal Constitutional Court stated routinely that the case was "not of fundamental significance."

There can be no question of the fact that, on the contrary, the proceeding is even of statutory significance, in view of the constitutional judges' ruling. That is so because in the future it will not be all that easy to deny asylum to foreigners from countries having a murky political scene, as for instance Turkey. Also, because the new Karlsruhe definition of what constitutes political persecution invalidates the currently used judicial opinion of West German administrative judges.

For example, the Ansbach Administrative Court has until now denied asylum to applicants with the justification that persecution must be "directed against the individual" and must exceed those conditions to which "entire groups of people are subjected as a result of the existing political system."

Nor will it be possible in the future to justify decisions, as has been the case in the past, which practically eliminate asylum for economic reasons. The Bavarian Administrative Court for instance had declared that persecution was evident if a state was attempting to "implement repression with economically destructive measures."

It is however questionable whether the new interpretations of asylum entitlement by the Federal Constitutional Court, which would do away with such rulings, will

be reflected in the actions of the overloaded administrative courts. How for instance can one go about providing incontrovertible proof of immunity from future persecution in the applicants' homeland, as demanded by Karlsruhe?

Advocates of asylum fear therefore that hostility toward foreign nationals and the fear of inundation by foreigners will continue to exert their influence in the rulings on applications for asylum. Says asylum expert Marx: "Even the finest ruling by the constitutional court comes to nothing if there is no corresponding political inclination on the part of the judges."

9273

CSO: 3103

QUESTIONS AT ISSUE BETWEEN USSR, U.S. CONSIDERED

LD051703 Paris LE MONDE in French 4 Dec 80 pp 1,2

[Article by Andre Fontaine: "Sound of Marching Feet and Detente"]

[Text] Were it not for the sound of marching feet on Poland's borders more attention would have been paid to the fact that the Russians have accepted much in Warsaw; the all-European conference in Madrid is continuing, amid general indifference, of course, but continuing nonetheless. Senator Charles Percy, Mr Reagan's envoy to Moscow, was given VIP treatment and had long talks with the three leading men in the regime, Brezhnev, Marshal Ustinov and Mr Gromyko, although he made no secret of the fact that he indulged in his usual plain-talking with them.

Even if the U.S. President-elect had not proclaimed *urbi et orbi* his intention to revert to the linkage method so dear to Mr Kissinger, in other words asking the Soviets to ensure that their right hand does not systematically ignore what their left hand is doing, the relationships between these various events would be striking. The Kremlin clearly wants to open dialogue with Mr Carter's successor. And it wants to do so quickly since the 26th Party Congress is due to open on 23 February next year and it has the job of deciding the broad lines for the next 4 (as published) years: it goes without saying that those lines will depend on the course which east-west relations take.

Mr Reagan is already making it known through Mr Percy that, while the SALT 2 treaty is dead in his view, he is prepared to incorporate many of its provisions into a new treaty to be negotiated. Aside from the adventures which could be brought about by stepping up the arms race, the USSR clearly stands to gain from slowing it down, if only because of the very heavy burden it is placing on its economy at a time when the wars in Afghanistan and in Ethiopia, the need to help Vietnam, Kampuchea, Poland, Cuba, Angola, and Mozambique and the increase in prices of energy and imported grain and raw materials are already hitting the Warsaw Pact nations very hard.

It is true that the western credits, which now total almost \$60 billion for all the eastern bloc countries, are a considerable help to these countries, so much so that it is possible to say in the final analysis that they are financing the Soviet arms effort. However, it is equally true that the new U.S. team is certainly capable of wielding the weapon of economic sanctions with much greater energy and, consequently, much greater efficacy than Mr Carter. Moreover, one aspect of the situation is facilitating its task: the universal drought which is responsible

for one of the worst grain harvests in recent years, while the number of mouths to be fed is constantly increasing. If Mr Reagan were to continue the embargo on wheat and corn, Moscow would have much more trouble obtaining supplies on the world market than it has this year.

In a general way the future President, with his sheriff's style and his simplistic talk, is worrying people, while poor Jimmy inspired more pity than anything else. He is surrounded by a gang of "saber-rattlers" from Georgetown University, among other places, the like of whom have not been seen since Foster Dulles' day. However, they are not alone. A large number of old faces from the Nixon era are also to be found around him. In the forefront is Mr Kissinger, who will certainly be able to make himself useful in the role of "very prominent intimate friend" which a senator in the new republican majority recently forecast for him, unless Mr Reagan, now that the the favorite Schultz has backed down, follows the advice given by James Reston, the famous NEW YORK TIMES' columnist, and makes Kissinger his secretary of state.

Mr Percy, who has just made the trip to Moscow and who will occupy the key post of foreign relations committee chairman, is also an "enlightened conservative," just like Vice President-elect George Bush, whose threefold experience in Beijing, at the United Nations and in the CIA leadership fits him to play a major role in international policy.

As Mao taught, contradictions are not always negative. The contradictions in the Carter team paralyzed it; those in Reagan's team could enable it to wield the carrot and stick in a flexible way. In any case it is clear that Moscow does not despair of reaching agreement with it. This is true to such an extent that one of the outgoing President's closest aides recently prophesied, during an intercontinental colloquium, a return to the "condominium" against which Georges Pompidou and Michel Jobert fought so hard 7 years ago.

An Oil Yalta

Condominium means the two superpowers' having control and not allowing third countries to disturb their relations on such empty pretexts as national independence or human rights. Reagan will try to use the China card; he will not, like his predecessor, go out of his way to help dear Deng Xiaoping. From this viewpoint the ties he has long maintained with Taiwan are an advantage in the Russians' eyes. He will ask his European allies above all to close ranks and to bring their armaments up to the level to which they promised to bring them, in 1978 and, of course, not to hinder the deployment of the theater weapons.

Helmut Schmidt, who is relieved to be rid of Mr Carter, who made his hair stand on end, and whose main fear has always been being left alone in face of the Soviet world to defend not only his fellow citizens but West Berlin's freedom and the fate of the GDR's inhabitants, is certainly happy to feel a stronger United States. At first sight relations between Bonn and Washington should be greatly relaxed, and that threatens to place France in rather a solitary position. France is accustomed to that.

One idea which is in the air at present and which could appease the Soviets to the extent--who knows--of prompting them to cooperate in finding an amiable solution to the Afghanistan affair, is the idea of an oil yalta. Unless I am mistaken, Chase Manhattan President David Rockefeller was the first to suggest this a few years ago. The Political Forecasts Institute, headed by Mr Poniatowski, recently echoed this idea. Briefly the aim is to divide the main sources of production situated in the third world between the eastern and western spheres of influence. The USSR would pledge not to touch Saudi Arabia or the Emirates in exchange for which the United States would put a cross through Libya and possibly through Iran, and so forth.

Such an agreement would clearly not last forever since, like the first yalta, it would essentially consist of a conservative power inviting an opposing power to join in protecting a certain balance. As Lenin pointed out in his "Imperialism, The Highest Stage of Capitalism," no division permanently survives the correlation of forces which engendered it. We must not tire of repeating that the real solution can only come from a world agreement on the distribution--and not the division--of world resources; however, it is true that such an agreement is extremely difficult to establish. If the two superpowers seek, as they did after the Cuban missile crisis, an armistice in the cold war which they have been waging again for years, an oil yalta combined with a new SALT agreement could create an adequate feeling of detente to enable some slowing down in an arms race which now absorbs FR4.4 million per minute.

In addition to the Afghan affair, to which a solution will not easily be found, two extremely pressing problems are likely to strongly influence the resumption of Soviet-U.S. contacts.

Poland has been living on a knife's edge since July. Lech Walesa and Stanislaw Kania are likely to lose control at any time, the former over a left which is leaning toward anarchy and is obstinately ignoring the lessons to be learned from Prague, and the second over a Stalinist right panicking at the idea of having to give up its privileges and its sinecures. No great effort of imagination is needed to guess what the marshals are saying about this to the Soviet collegial leadership, since their main concern is clearly the security of their lines of communication with East Germany.

Although NATO Secretary General Luns openly stated that a USSR military intervention would in no way prompt a military response from the West, Senator Percy was right to warn Mr Brezhnev that it would nonetheless have dramatic implications for relations between the blocs. In order to convince him of that he used the best argument: the existence of millions of emigre Poles in the United States who are as determined as their compatriots who have remained in Poland to make the invader pay dearly for his audacity. Nonetheless, now that the trade unions have won a series of spectacular victories, the celebrations must give way to work in Warsaw.

Defusing the Bomb

The Iraqi-Iranian War: Although Baghdad has so far not achieved any decisive victory, it is slowly scoring points. However, it will need to score more to make Tehran compromise. Rather than concede anything to a regime which, in his eyes,

is another incarnation of the devil, the Imam will certainly prefer to extend the war, whether by attacking Kuwait which, as everybody knows, is being used as a rear base for Iraq, or by mining the Strait of Hormuz, which he has already threatened to do. In both cases, the danger, as the WALL STREET JOURNAL points out, is that of general war in the Gulf Region and a fatal blow to the western world's oil supply. The growing tension on the Syrian-Jordan border illustrates how well-founded these fears are.

At present no task is more urgent than that of defusing this bomb in which the United Nations and the nonaligned countries seems to be showing no interest. Mr Brezhnev and Mr Reagan would have difficulty in finding a better way of opening the dialogue they need, than in trying to do this together.

CSO: 3100

BRIEFS

MONTAUDOUIN FIVE-STAR GENERAL--Gen Bertrand de Montaudouin, presidential chief of staff, was promoted to the rank of general of the army by the Council of Ministers on Wednesday, 26 November. The promotion of the president's private chief of staff to the rank of general of the army (five stars) is a rare occurrence and is bound to be commented upon in military circles. There is a precedent, however: In February 1973, Georges Pompidou granted a fifth star to his private chief of staff, Gen Michel Thenoz, now in the reserve. The promotion actually places the chief of staff of the Office of President on the same hierarchical footing as the chief of staff of the armed services, the chiefs of staff and inspectors general of the three branches and the secretary general of national defense. (Born on 29 March 1924 in Nogent-sur-Marne and a graduate of Saint-Cyr, Bertrand de Montaudouin, who is a member of the armored division and the cavalry, served from 1970 to 1973 as a colonel on Georges Pompidou's private staff. In July 1973, he became head of the 7th Mechanized Brigade in Besancon and from 1975 to 1977, headed the Advanced Military Scientific and Technical Training (EMMST), before assuming his post as inspector of the armored division and the cavalry. Promoted to the rank and title of army general in January 1979, he has served as chief of staff at the Elysee Palace since June 1979.) [Text] [Paris LE MONDE in French 28 Nov 80 p 12] 11,464

CSO: 3100

EEC APPEARS UNEASY OVER DRACHMA PARITY

Athens HELLENEWS EXPRESS in English 20 Nov 80 pp 2-3

[Text] Evidence is accumulating to the effect that responsible EEC quarters in Brussels feel today's Drachma parity to the ECU is unrealistically high. This belief is founded partly because only an elementary foreign exchange market has now been set up in Greece and partly because the present Drachma-ECU parity is felt not to be a true reflection of the actual economic situation in the country. It is apparently felt in Brussels that Greece still has an economy unique in form and structure which cannot be described as European and will require a fairly long period of time, after the 1st of January, 1981, to adjust fully to EEC practice.

For the reasons given above, the forthcoming EEC decision on a "Green Drachma" (in relation to farm product prices, subsidies and contributions) will be taken on a political level and for reasons of political expediency by the EEC Council of Ministers and not so much on an economic basis by the EEC Commission. The latter is more likely to content itself with the recommendation it can make as to a method for calculating the "Green Drachma" and will leave it to the Council of Ministers to fix the actual rate. When the matter was being discussed in conference in October, the FEC made it clear that it would not be possible to follow the precedent set for seven of the other nine EEC partners (UK and Italy excepted as they had a different procedure) because Greece is not a party to the European Monetary System and unlikely to have become one by 1984. It is felt equally impossible to follow the Italian precedent where a 6.0% Lira fluctuation was accepted (instead of 2.25% for the others) or the British precedent with Sterling fluctuating freely, a course which could possibly cause the Drachma to founder. EEC experts therefore seem to be recommending:

a) avoidance of M.C.A.'s in Greece's case

b) linking of the Green Unit for Greece to the Drachma-ECU parity in the last days of December, 1980. If at some later stage, the Drachma parity versus the ECU and the Green Unit diverges, means to restore its relationship will have to be worked out

In the EEC view, it should prove to be in Greece's interests to have no M.C.A.s because they would burden the economy and would exercise a negative influence on Greek exports, if there were to be any substantial Drachma devaluation after the New Year.

BRIEFS

IMPORT RESTRICTION LIFTED--Under growing pressure from the EEC, the system of the "Voluntary Import Restriction" has been lifted with effect from the 15th of this month. Mr J. Palaiokrassas, Deputy Minister of Coordination, said this had become possible because of the improvement seen during the last few months in the country's balance of payments position. It now remains to be seen if an upsurge in imports will reverse the improvement achieved since this unofficial form of import restriction was imposed/agreed about a year ago. Readers may recollect, from recent HELLENEWS editions, that there has been some acute controversy among competent Greek quarters about the wisdom of lifting the measure, despite partial assurances given to this effect to the EEC in August last by Greece's accredited representative. The only real hold on imports that now remains is the Greek economic recession itself and high interest rates paid by banks on deposits. [Text] [Athens HELLENEWS EXPRESS in English 20 Nov 80 p 1]

INDIRECT OBSTACLES TO IMPORTS--Pending total abolition of Chamber of Commerce visas on import pro-forma invoices, to become effective from the 1st of January, 1981, a number of articles have already been exempt of such procedure for a few months. However, bureaucracy has nine lives in this as in most countries. Accordingly complaints have been coming in from importers of some of these exempted goods to the effect that, when applying at the Bank of Greece for import authorization, they were informed that a licence could be granted only if each applicant had already effected at least one importation of the same article at the same price. Failing this, the application has to be referred back to the competent Chamber of Commerce. As most readers will realise, world prices now tend to change from month to month so that very few importers in Greece are likely to have imported their previous consignment of a given article so recently as to have paid the supplier the same price at which they are now ordering their new supplies. The market finds it difficult indeed not to suspect that this latest move is not in fact a rather transparent device for holding up the rate of imports of certain articles for a few more weeks, in order to make the 1980 final balance of payments look just that little bit healthier. [Text] [Athens HELLENEWS EXPRESS in English 20 Nov 80 p 2]

UNION FEDERATION CRITICIZES GOVERNMENT ECONOMIC PROGRAM

Rome QUOTIDIANO AUSI in Italian 25 Oct 80 p 12

[Text] Ausi, 24 Oct 1980--The intentions of the economic program announced by the new government do not differ significantly from those of the preceding one. In particular, as in the past, no priorities are stated in the interventions it has outlined in its economic policy.

The CGIL-CISL-UIL Federation points out that the government's declared objective in its economic program aims to protect Italy's position vis-a-vis the Western nations; to that end, it will pursue a rigorous policy to overcome inflation as well as an emergency economic policy allied with structural policies it plans to launch.

These goals relate to some of the basic conditions necessary to increase employment and to develop the south.

To implement them, the program calls for: a) a policy to control exchanges; b) containment of the internal causes of inflation; c) displacement of resources from consumption to investment; and d) reformation of the public function and expenditures.

The program takes a positive stand on the question of utilizing fixed capital, thus surmounting the hitherto obsessive emphasis put only on labor productivity, still high in industry; but the proposal to transfer resources from consumption to investment is too vague.

The labor federation, however, agrees that this economic strategy will be inadequate if all measures taken to achieve its purpose are designed primarily to restore industry's profit margins by holding down real wages in the conviction that such action is necessary and sufficient to improve the nation's economy.

In the belief that it would guarantee neither bigger investments nor higher employment, the unions are urging the government to resume discussions toward defining the structural lines of economic adjustment, by which it should organize its procedures together with its interventions in programing the national economy on a medium-term basis.

As has happened in other countries, it is becoming more and more evident that the government line by no means guarantees bigger investments and more employment, hence political alternatives must be found with urgency. Since labor's objectives weigh in the balance (employment and the south), an effort must be made to determine what policies (distribution and the investment of revenues) can increase investments and employment without sacrificing the workers' gains.

One thorny question especially demands clarification by the government. Italy is facing a notable slowdown in development. The government is giving priority to the control of inflation, stability in the exchange rate, total domestic credit and the public deficit.

The government must explain what the consequences of these options will be on the growth rate, on investments and on employment.

The unions' definitive judgment on the program's general philosophy and the consistent rapport between goals proclaimed and methods proposed to attain them will depend entirely on knowing what the effects will be in terms of employment. The united federation will state its evaluations in an appropriate document covering all these questions, which [in the meantime] need to be clarified with precision.

9653

CSO: 3104

DECLINE IN CGIL MEMBERSHIP REPORTED

Rome RASSEGNA SINDACALE in Italian 13 Nov 80 pp 6-7

[Article by Rinaldo Scheda]

[Text] The trend is not homogeneous: it varies from one craft to another, from region to region. But the disturbing constant is a decline in membership, particularly among employed workers. Are conditions ripe for improving the union's image and credibility among workers?

The year is drawing to its close, and the figures for the fiscal year just ended become a necessary and useful tool in assessing not only what has been done, but for getting a clearer picture of what remains to be done.

The process of issuing 1980 CGIL cards is not yet complete. In fact, some of the lag visible in some areas and in several sectors still has a chance of shifting into the black. However that turns out, it is already fair to hazard a tentative opinion as to the record as it stands now. Unfortunately, one must admit that 1980, like last year, shows a continuation of the overall stagnation in the strength of the CGIL's ranks, coupled with the troubling persistence of a visible decline in membership among employed workers, offset to some extent by growing membership in our retired workers' federation.

The total number of CGIL members -- not a final figure, I repeat, because there may be some changes within the next few weeks -- stands at 4,514,162. This figure tells us that we are 69,312 members short of those we counted at the close of 1979. The most worrisome number, though, is the one that tells us that, as of the end of October, we are still 93,094 short of the number of employed workers we had at the end of 1979, which is a drop of 2.6 percent.

It is true that this shortfall may yet be corrected, at least in part. We must do our best to see that it is. We must also bear in mind that all told, the total of active plus retired workers, as against that for this time last year, shows a decline of 3,674, or less than 1 per-

cent. workers on pensions in fact numbered more than 1.7 million CGIL members, and that figure is already higher than the one we showed at the close of the 1979 registration year.

Even so, that leaves us with the disheartening finding of a decline in membership among active workers as a significant datum as 1980 registration winds up.

We must bear in mind that the highest number of CGIL card-carrying members among active workers, if we look at the figures for the past 5 years, was reached in 1977, with 3,617,387. Not once since that year has that figure been topped, although we have come very close to it.

This means that the weak spot, the negative side of the card campaign lies in stagnation, coupled with symptoms of a decline among active workers, albeit with a slight rise in retiree memberships; even so, CGIL membership over the past few years has levelled off at a level which, however you look at it, marks a very high point by comparison with the numbers the CGIL could boast in its organized ranks over the past 30 years.

If we probe more deeply into the diagnosis of this year's membership drive we find that the pattern is a spotty one.

Taking another look at cards issued to active workers we see that, in addition to gains among the retired workers, there have been advances over last year's figures in both the teachers' and bank workers' unions, while -- barring unlikely reversals in the next few weeks -- the farm workers, chemical workers, and textile workers are all showing losses.

Looking at the picture on a regional scale, we see more or less significant gains in Piedmont, Val d'Aosta, Veneto, Emilia and Romagna, Tuscany, the Marches, Umbria, Abruzzo, Molise, and Sicily, while Liguria, Lombardy, Trentino-AltoAdige, Friuli-Venezia Giulia, Lazio, Campania, Apulia, Basilicata, Calabria, and Sardinia are lagging.

A more detailed scrutiny of the results shows that as of the end of October, Turin was short 50,000 active working members, Genoa lacked 4,500, Milan 11,000. Venice more than 2,500, Trieste more than 6,000, Bologna about 2,000, Latina more than 2,000, Avellino more than 5,000, Naples more than 7,000, Lecce 2,692, and Messina more than 4,000.

On the other side of the ledger, though, at least for active workers, are Cuneo with a gain of more than 2,000, Bergamo with 1,200, Bolzano with 1,450, Pesaro with 1,137, Rome with more than 5,779, L'Aquila with 1,090, Campobasso with 1,150, Salerno with 1,192, Crotone with 2,100 and Nuoro with 2,000 more.

Unquestionably the crisis situations in employment have had marked impact on the losses of active workers as members. This is not enough,

however, to explain the persistent stagnation in the numbers of active workers carrying union cards which has gone on now for several years, or some slight but palpable losses in CGIL influence over the year just ending.

The loss of steam on the part of the unification process and the fact that organized labor has not managed to make any substantial impact on the development of economic policy have helped to spread a lack of confidence among the work forces most exposed to fallout from the crisis and among those less experienced in union activism or politics.

Furthermore, while it is true that the independent labor movement has not yet shown any significant gains in membership, its action has engendered confusion and disorientation among the workers, particularly those in the service sector.

In short, the underlying cause for the shortfall in the membership drive is the state of political difficulty which has beset the labor movement over the past several years.

Along with this, however, go other factors which are more directly involved with internal problems in the labor movement as a whole and in the CGIL in particular.

At issue here is a whole tangle of unfortunate conditions that are generally lumped together as the problems of union democracy. Actually, though, they are all separate and distinct aspects, each of which must be faced squarely as what it is.

As we think today about starting the next union card campaign it would be well to look and see whether there is any way to improve the image and enhance the credibility of organized labor among the workers.

The new year will open with completion of the mass poll of workers on the general lines of union policy for the unified federation, followed, in the course of the year, by the various confederation congresses. These are important events which can open the way to broad establishment of contact with the workers. All of it may come to naught, however, if we fail to come to grips, practically and decisively, with some of the hotter issues such as jobs, the fight against inflation, and a new statement, on new and consistent foundations, of the whole corpus of union demand policies.

Insofar as concerns the inner life of the union, we must use decentralization of union structures nationwide and a revitalized union presence in the workplace to achieve a higher level, and on a broader base, of direct worker involvement and participation in hammering out the line their union is to follow.

Finally, we must restore some of the lost lustre to the enduring values of the union as a militant body. This will require an across-the-board, no-holds-barred struggle against every sort of bureaucratic fat-catism.

This fat-cat syndrome in union bureaucracy is a choking weed that threatens to strangle organized labor's very identity, to distort its whole way of life.

This same bureaucratization has even infiltrated the card-renewal process, to the point in some cases of making it impossible for the worker to join the union, to feel himself part of the political consensus which is a vital feature of any labor union worthy of the name.

We may be sure that whoever succeeds in restoring the annual card-renewal drive to its rightful place as a vigorous political campaign, whoever restores its true meaning as an act of genuine commitment and belonging on the part of the worker, will not have long to wait to see results in more than mere numbers; whoever does that will reap far greater rewards, because recruitment of new members will once again take on the significance of real political victory.

6182

CS0: 3104

SECRETARY OF CHAMBER OF LABOR INTERVIEWED

Rome AVANTI! in Italian 29 Oct 80 p 16

[Interview with Piero Polidori, secretary of the Chamber of Labor in Rome: Councils a Concrete Choice of Industrial Democracy"]

[Text] For some time the socialist Piero Polidori, 43, has headed the Chamber of Labor in Rome. On the occasion of the convention held by the socialist members of CGIL's Latium section on "The Socialists and Programing," which begins today at S. Martino al Cimino (Viterbo), we asked Polidori to explain the purpose of this event, which will be dedicated largely to an analysis of the problems concerning "industrial democracy."

[Question] The idea of "industrial democracy" seems to have resurfaced since labor's vicissitudes with Fiat. Why is that?

[Answer] The union has been criticized on all sides for the way it handled the quarrel with Fiat. But we must not forget what provoked that quarrel: Fiat's threat to fire 24,000 workers. The company's stand made a deep impression, as did the violent, but consistent, objections made in the meetings to the agreement proposed by the union. One wondered what the real will of the workers could be when the split opened between those who wanted to return to work and those who wanted to continue the fight to the bitter end. Looking back on the whole episode, one began to wonder about the democratic mechanisms by which the workers should be able to express their wishes. This is the direction our convention will take. The socialist union leaders want to make this a contribution to the whole world of labor.

[Question] Then you are going beyond the democratic experiments in the factories which have centered on the councils since the 1969-1970 struggles, is that it?

[Answer] I do not believe there is any validity in those positions which tend to liquidate the entire patrimony the union has accumulated over the past 15 years. Those who take such positions are only hurting the bargaining power the union has so far acquired, and giving it a new dimension.

[Question] To what extent do socialist union leaders take responsibility for what has happened to labor relations as they exist in the world today?

[Answer] I do not want to make a patriotic speech because I believe that each component has borne its influence on the life and development of the union. But I recall the socialists' battle to augment union autonomy. It was the socialists for the most part who insisted on what they called the incompatibility between the union's leadership functions and its political and parliamentary commitments.

[Question] How did the question come up?

[Answer] In 1967 the union delegates to parliament had to decide how they would vote on the first five-year plan. The divergence, which was explosive, was evident. The socialists inclined to approve the plan, the communists to vote against it. Ultimately the CGIL delegates agreed to abstain in a body. This compromise gave sanction forcefully to the theory of incompatibility.

[Question] At this distance in time, do you consider that a good decision?

[Answer] Absolutely. It gave the whole union movement a boost in quality and bolstered its autonomy. When we talk about industrial democracy, we must realize that union autonomy is essentially the basis of it.

[Question] Does the union hew to party directives or is it guided directly by the will of the workers?

[Answer] I would not say that because there is no clear distinction between party and workers. To the contrary, there is a close cohesion, which gathers strength whenever contentions go beyond the corporative dimension. On this premise, I can answer that that, in effect, is how it is.

[Question] Going back to the mechanisms necessary to make sure that the base can express its wishes, what do you think of giving workers the referendum?

[Answer] I am not against the idea, but it depends on how such a democratic procedure can be formulated. What must be clearly understood is that it cannot be imposed; rather it must be debated and accepted by the whole union. Otherwise it would only be a means of accentuating divisions and undermining the workers' bargaining power.

[Question] Couldn't the referendum be an alternative to what is called avant-gardism?

[Answer] Certainly it could act as a corrective if it is used to favor the union, not oppose it. I have never understood very well what is meant by "avantgardism." It could be a machinegun fusillade against union functionaries and leaders. If so, then it is a pretextual polemic because a union without a spinal cord will only become weaker and lose its democratic characteristics. But on the other hand, if it mitigates against groups aiming to appropriate the leadership of the masses and exploit the workers' struggles for personal ends or for the party, then I say avantgardism should be openly opposed.

[Question] The question of comanagement has also cropped up again. Which do you prefer, comanagement or self-management?

[Answer] I have always believed that there is no clean contradiction between these 2 types of industrial democracy, such as some people would like to make. It is a matter of verifying the question concretely. Take the matter of company information as an example. Certainly workers' representatives in the administrative councils would make company management's actions more transparent. But there is a big difference between this arrangement, let us call it counterinformation, and a general coresponsibility in a company's affairs. The labor movement should supervise certain areas itself, ranging from comanagement to bargaining.

[Question] How should workers use these new powers? We could hope that, on management's part, they would lessen tensions. But on the union's part, what is your opinion?

[Answer] The union must act against tensions that lead to economic and social disorders. We are already battling against that creeping form of protest, absenteeism. Another thing is the rejection of a "consociative democracy" whereby the actions of both labor and management are determined outside. A certain degree of conflict is inherent in any democratic society.

[Question] What should be the link between this new industrial democracy and the more general economic planning?

[Answer] It is in the area of planning that we must measure the different social groups. Something has been done along these lines, but between this and the notion that the Italian economy is already programmed, there is a wide gap. Indeed, the breakdowns in our country are so extensive that we might well ask whether it is possible to program the Italian economy at all. I have in mind the state of our public administration. I believe that it can be if we create favorable political and social conditions. Programming could be one of the aims to be discussed and worked out on every level of the workers' daily life. In my opinion, we are far from this objective, but it is not beyond reach.

[Question] Should the convention you are opening serve to make a contribution on the part of the socialist union leaders?

[Answer] Yes, a contribution rooted in local and regional reality as important as that of latium, where such a city as Rome exists-- It must begin by pressing from below before anything can change--and in Italy there is much to change. The most ideal blueprint for an industrial democracy would be useless if it failed to take the workers' problems into account. The union has fallen far behind, and it has made serious mistakes, but a crisis would only open the way to demonstrations of exasperated protest and temptations to authoritarianism. Now we shall talk among ourselves, among socialists; later we shall see.

9A53

CSG: 1104

EEC PRICE POLICY ON LEMONS DENOUNCED

Palermo GIORNALE DI SICILIA in Italian 28 Oct 80 p 14

[Article by Agostino Mule: "And the Sicilian Lemon Remained on the Bough"]

[Text] EEC's reply to a query by Hon. Giummarra discloses a contradiction in its provisions harmful to a sector in full crisis

As long as the Brussels Commission helps third lemon-producing countries to penetrate the EEC market by granting them special facilitations, these countries will continue to give stiff competition to the only lemon production in the EC area--Italy's--of which 90 percent comes from Sicily.

The agreements reached between the EEC and the third countries in the Mediterranean basin allow a tariff reduction for their lemons imported into the community. Each of these agreements, validated about 10 years ago and applied to a lemon-producing country which, to become a "friend" of the community and a client for European industrial goods, required the EC to give its agricultural output special consideration in return.

Paying little heed to the fact that such a condition could only damage several of the community's southern areas, Brussels quietly accepted it.

But that is not all. The agreements provide for a tariff reduction only if a fixed price is maintained within the community zone, below which the quotation for lemons would not drop. This arrangement was meant to make it possible to sell the product on a reasonably competitive basis. However, from 1976 until 31 May of the same year, this stipulation has been suspended.

Since then, the commission has granted one extension after another, conceded automatically every year by a simple regulation, so that before 31 May 1981 [at the earliest], as established in the most recent regulation, the EC will set no fixed price for lemons.

Before the last extension was approved, Vincenzo Giummarra, Sicilian deputy to the European Parliament, asked the commission "whether, in view of Italy's lemon production, for which exportation is becoming more and more difficult, the proposed extension should not be annulled."

Giummarra also asked if the commission did not think its failure to evaluate the harmful consequences to the lemon output in the south was not clearly in violation of the spirit of the Treaty of Rome.

The commission's reply was not only disappointing but also highly questionable on various counts. They say in Brussels that again this year, the system of financial compensation (penetration premium) has been sustained, indeed increased by 6 percent for lemons shipped from one EEC member state to another. And since this concession relates to the obligation--suspended--to respect fixed prices for lemons imported from third countries, the commission believes that it would be unfair to cancel the proposed extension to 31 May 1981. Furthermore, since the provisions adopted to favor the marketing of lemons (what lemons? those of the community or those of third countries--editor's note), the commission is convinced that the spirit of the Treaty of Rome is being fully honored.

Meanwhile, we have hit upon a fact hitherto unknown: that aid given the lemon producers has been granted "on condition:" on the one hand, financial compensation for penetration into the community's markets, on the other, open doors for the "friendly" production of third countries. That these provisions favor our output is a declaration to be found nowhere except in the commission's reply.

In substance, Giummarra's interrogation departs from the opposite premise, therefore either the question or the answer is in error. But Brussel's predisposed response to his query concerning the very real difficulties besetting one of southern Italy's most important economic sectors in general and Sicily's in particular, is altogether arbitrary because the commission has never taken the trouble to give it any thought.

9653

CSO: 3104

PARTIAL CLAMPDOWN ON WAGES EXPECTED 1 JANUARY

The Hague ANP in English 13 Nov 80 p 1

[Text] The Hague, November 12--The cabinet announced today that the automatic wage adjustments to the cost of living will be cut by two per cent on January 1 while holiday allowances will be reduced by 0.5 per cent.

The cabinet decided on this partial wage control measure after the tripartite talks of cabinet ministers, employers and trade union leaders on social and economic policy for next year had ended in failure.

Social Affairs Minister Wil Albeda said the measure would be accompanied by a cut in taxes.

He appealed to employers and workers' representatives to refrain during talks on new collective labour contracts from making agreements leading to a larger increase in the wage bill than that envisaged at present.

If efforts were made to cancel out the results of the cuts in cost-of-living adjustments and holiday allowances, he would decide on a general clampdown on wages Mr Albeda said.

FNV Indignant

FNV trade union federation chairman Wim Kok commented indignantly that the minister had 'broken his word', because he had said several times of late that no wage control measure would be taken if the wage bill did not rise by more than eight per cent.

Mr Kok said that during today's talks he had reiterated his objections to a cut in the spending power of the lowest income brackets, the 'amputation' of the cost-of-living adjustments and curbing holiday allowances.

He said the government had failed to show that the FNV's alternative plan for putting a ceiling on wage adjustments and holiday allowance for the higher income brackets.

He also expressed disbelief at the minister's statement that the employers were concluding one pay contract after another providing for full indexation.

The chairman of the employees delegation, Mr Chris van Veen rejected this criticism. The larger part of these contracts had been concluded before the summer holidays in the hope that the Cabinet would curb its spending.

The contracts explicitly took account of the possibility to adapt the cost of living adjustments to central agreements because it was feared that the government would fail to attune its spending to its income, Mr van Veen said.

CSO: 3120

POST-ELECTION ALTERNATIVES FOR COMMUNIST PARTY EXAMINED

Lisbon DIARIO DE NOTICIAS in Portuguese 15 Oct 80 p 2

[Article by Jose Saraiva: "After the Elections: PCP Alternatives"]

[Text] The PCP is finding itself at the most difficult crossroad of its life. It is more serious to have the movement of history against oneself than Salazar's police. In truth, the defeat of the APU [United People's Alliance] is a defeat of both theoretical and practical Marxism.

One of the surprises of the last elections in almost all areas of the country was the decline in votes for the APU, the name of a pseudoalliance of the PCP with that name itself.

It was also a surprise for the author of these lines who was not expecting this change so soon. Furthermore, it was a surprise for the secretary general who refused to recognize reality, attributing this development to propaganda manipulations when the PCP campaign was vast, overflowing, strident and scandalous like no other.

The defeat of the PCP is not fortuitous. It is the result of a general change, not only in Portugal but throughout the world. And in this context it poses fundamental problems, even theoretical problems.

According to its doctrine, the PC is the workers party and always tends to grow in keeping with the mood of capitalist production. The number of proletarians increases as a result of the process of concentration of capital, and it is inevitable that workers will become increasingly aware of their growing misery brought about by capitalist exploitation. It is not that the Communist Party is attempting to come into power through voting pamphlets, but it is obvious that the secret vote also expresses the sentiments of the workers who are voting. Moreover, except for the vote, there is no way to come into power, for the PCP was also defeated when the power was at the mercy of the masses unleashed in the street by the promoters of the coup in 1975. The vote and insurrection are therefore paths which are closed to the PCP. What then remains?

It will be said that the time is not yet ripe and that there is hope for an inevitable general crisis of capitalism. But in this case it would be necessary for the theory to be correct, for history to pursue the so-called Marxist theory. The Communist Party believes in the "march of history" in which the party itself is the vanguard. But this is precisely what these elections, with the general decline of communist

parties in more advanced commercial countries, are casting into doubt. The facts contradict the theory, and the USSR, which believes itself to be the product of a Marxist revolution, is finding itself increasingly isolated in the world despite its apparent military successes and is having ever greater difficulties in the social, economic and political camp. Much time has passed since anyone has believed in the miracle of the Soviet five-year plans. The "miracle" is now Japanese and German, two commercial societies which have been growing since the last war at a rate never achieved in Soviet Russia. The "contradictions" which Marx called attention to in "capitalist" societies and which was to lead to their downfall did not develop as he had hoped, nor is it certain that they are what he said they were. On the contrary, the contradictions of the so-called "socialist" world are becoming increasingly obvious, and repressive means are not succeeding in obscuring those contradictions.

At one time, the USSR seemed to be the focal point of spiritual radiation, the hope of the world. Today, in the eyes of the workers, it is a lackluster country, an obscure point in the universe, a threat of war, a base for armed invasions.

This is true to the extent that hoping for the future is hoping for a chimera. In any case, the general crisis of capitalism, so eagerly looked for and so categorically claimed by the Marxists, did not occur. This does not mean that the commercial system will last forever. But we do not know how or when it will end. What we can say for sure is that it will not end in the manner foreseen by Marxist doctrine, for the law of universal poverty that of intensified exploitation of manual laborers and that of international solidarity among the workers have not been confirmed by the facts.

Therefore, it is not surprising that the Communist Party as an international organization has lost its power of attraction over the masses, principally in countries where the working class is more numerous and capitalism more developed (and therefore, according to the Marxist theory, closer to its demise). The Communist Party international organization is even breaking up, and some of its parties, like the Italian and Spanish, have prudently brought the horse in out of the rain (excuse the expression) and have separated themselves from the USSR and Leninism, inventing "Eurocommunism" (which is probably another myth). And even the Portuguese Communist Party is avoiding display of the traditional symbol (the hammer and sickle) as if it were necessary to hide its face. The Communist Party movement in general is on the decline. And how could it be otherwise when the theory does not correspond (has never corresponded) to reality, even though it declares itself to be "scientific?" The Communist Party is not in the mainstream of history; it is running against the current of history. Marxism is a scholasticism which holds true only if we ignore the reality which surrounds us.

That is why its votes are decreasing from year to year and the youth are leaving it more and more. And it is now hard to believe how it was once thought that Marxism socialism was the "youth of the world," the "tomorrow which are singing out." The hope of the USSR and of the countries which are sticking by it is no longer in working-class internationalism nor in the youth nor in the "exploited" masses throughout the world but in the military occupation of certain strategic points with a view to a purely military war. But the USSR itself is being increasingly surrounded by the masses of its own satellites and interior. Time is against it, and the risks of war stem precisely from that fact: by bringing on a war, the USSR and the governments of its dependents can hope to delay for some time the process of disintegration which is gaining momentum.

The PCP can do nothing against this, against this objective process, against the theoretical error on which it is based. Therefore, its problem is that of accepting these unforeseen conditions for the theory and to reexamine not only its tactics and strategy but also the very objectives to be attained. It appears to us that the alternatives offered are the following:

First: Close their eyes and continue in the same direction, considering all signs to the contrary (including these observations) as manifestations of "crude anti-communism." In this case, the PCP would rapidly become a cult of visionaries with no "control" over political reality (as, for example, the Jehovah's Witnesses or any other).

Second: Charge into a party like the others (this is not Leninist), acting in accordance with local conditions and aspiring to achieve power like the others, including the acceptance of the principle of rotation. But in that case, the PCP would become a sort of UEDS [Socialist Democratic Students Union], a more radical socialist party without any great hope of coming into power at any time or of having any influence in that power.

Third: Become a fortress devoted to serving Russian military strategy and hoping that war will give it an opportunity to seize power. In this case, the PCP would lose almost all its customers and war could never happen despite the preparatory efforts of the Movement for Peace and Cooperation.

Fourth: Become a labor party, supporting the demands of the workers within the system, a small stimulating bond among the unions, a kind of English "Labor Party," which was initially a movement in support of labor associations but which finally, with the name of Labor Party, turned out to be a government within a liberal and democratic society. But this hypothesis would make it necessary to put the Marxist theory on a shelf, like a decorative ornament, and attempt to develop another, less in conflict with reality, by a method of experimental rapprochement.

The fourth alternative is less foolish than the others but requires a large measure of common sense, modesty and freedom to be pursued. Given the delusions of grandeur which the PCP has evidenced on various occasions, the "heroic" excesses and prophesying of some of its leaders, it appears to us hardly probable that this path will be pursued at the next meetings of the Central Committee at which the future of the party will be decided.

The PCP is finding itself at the most difficult crossroad of its life. It is more serious to have the movement of history against oneself than Salazar's police. In truth, the defeat of the APU is the defeat of both theoretical and practical Marxism.

8568

CSO: 3101

PESSIMISM SEEN PERMEATING SOCIALIST INTERNATIONAL MADRID MEETING

Conservative Offensive

Madrid EL PAIS in Spanish 14 Nov 80 pp 1, 3

[Article by Maria Dolores Ruiz de Elvira: "The Socialists Meeting in Madrid Do Not Conceal Their Pessimism Over the International Situation"]

[Excerpts] A two-headed specter hovered over the opening session of the 15th Congress of the Socialist International (SI), the first to be held in the Spanish capital: The pessimism emanating from the Conference on Security and Cooperation in Europe became allied with the growing sensation that the conservative forces (encouraged by the victory of Ronald Reagan in the United States) are preparing an offensive with unpredictable consequences.

Nevertheless, all the speakers acted cautiously and, without succumbing to defeatism, demanded of the Socialist International an absolutely steadfast position toward the prosperity of the reactionaries, because democratic socialism "is the only hope for the future," to quote the chairman of the Spanish delegation and "number two" personage in PSOE [Spanish Socialist Workers Party], Alfonso Guerra, who took the floor when the already very long session of speeches and press conferences was reaching its conclusion.

At 1030 hours, in an immense hall flanked by huge papier-mache versions of granite monoliths containing the slogan of the congress, "peace, liberty and solidarity," engraved in several languages, Felipe Gonzalez, secretary general of the Spanish Socialist Workers Party, took the floor to welcome over 60 delegations from all over the world, to whom he briefly described the development of the Spanish political process since the death of Gen Francisco Franco.

The Spanish host explained to the socialist delegates: "In Spain, there has not been merely a step from dictatorship to democracy, but there has occurred in the political realm the transformation of a strongly centralist state into a state of autonomies."

Felipe Gonzalez, one of the 10 vice-chairmen of the SI, had very harsh comments for terrorism, "one of the major enemies of democracy in Spain," and made an appeal for international solidarity in order to put an end to this phenomenon which, "in many instances has backing from abroad."

The German, Willy Brandt, reelected chairman of the Socialist International, established in detail the bases for the debates that will take place for 4 days in a Madrid hotel, and which were constantly marked yesterday by references protesting the Soviet presence in Afghanistan, the military coup on Turkey and the threat of invasion hovering over Nicaragua...and on behalf of the self-determination of the Palestinians and the Saharans.

Praise for Poland

The Polish issue was treated with particular fondness by the Austrian foreign minister, Bruno Kreisky, who reiterated the sympathy of socialists and social democrats for the Polish workers movement. "Now then," the prestigious European politician noted, "what has happened and will happen in Poland is the exclusive concern of the Polish people." He had words of praise for the Polish Communist Party itself, because he was of the opinion that, in its negotiations with the trade union confederation, "Solidarity," understanding prevailed. He added: "Both sides are acting with great intelligence."

Alfonso Guerra associated his address with that of Kreisky, calling for "firmness" as opposed to the "retreat" advocated by certain progressive forces which are discouraged by the course that world events have been taking. "It is a time to redouble efforts and to become committed to just causes."

Willy Brandt himself had stressed in his inaugural address the need for socialists to multiply their contacts and exchanges of views, so as thereby to be able to inspire security and confidence "among all those in many parts of the world who are looking with distrust toward a future that is apparently fraught with danger." The German leader observed, "Nevertheless, this does not mean that the conservatives are inevitably winning."

While the debates were under way, it was learned at the headquarters of the congress that the German weekly publication, STERN, published in its last issue an article concerning alleged American pressure on socialists to change their position regarding the Latin American dictatorships, especially the Military Junta in El Salvador.

According to the magazine, the operation (mounted by the undersecretary of state, William Bowdler) is aimed at the Socialist Parties of the Federal Republic of Germany, Spain, Portugal and Great Britain. Four "independent civilians" are said to be carrying out the mission.

PSOE sources claimed to be unaware of the matter at present, while underscoring their support for the Salvadoran people.

The North-South dialog regarding the increased bipolarization involving the United States and the Soviet Union is one of the main concerns of the Socialist International. Today, representatives from three continents will discuss this issue at the evening session: the Venezuelan, Carlos Andres Perez; the Portuguese, Mario Soares; and the Senegalese, Leopold Senghor.

The War Between Iran and Iraq

The chairman of the IS, like all the speakers who mounted the platform yesterday afternoon, commented severely on the arms race, reiterating comments that have been made before: "Arms do not give security to mankind, but merely impoverish it." Both Brandt and Kreisky placed special emphasis on the war between Iran and Iraq. "This conflict could spread and destroy the entire region."

The Austrian foreign minister was one of the few who mentioned the holding of the American hostages in Teheran, expressing the view that this incident "is one of the major reasons for worldwide political destabilization," in addition to contributing to the isolation of Iran.

Tomorrow, Saturday, Felipe Gonzalez will introduce to the congress members his plan to create an individual "body of doctrine" which would be capable of fully identifying the Socialist International throughout the world.

Five new members joined IS: the Democratic Left Party of Ecuador, New Jewel of Grenada, the Democratic Socialist Party of Guatemala, the Socialist Progressive Party of Lebanon and the Volta Progressive Front of Upper Volta.

Also admitted in the capacity of consultative parties were the New Antilles Movement and the People's Electoral Movement, both of the Dutch Antilles, and the Unified Labor Party of Israel.

Crisis of Growth

Madrid EL PAIS in Spanish 18 Nov 80 p 3

[Article by Maria Dolores Ruiz de Elvira: "Growth Crisis in Worldwide Socialism"]

[Excerpts] During the course of the Socialist International Congress, the first to be held in Spain, there has been evidence of a "crisis of growth" within democratic socialism, as emphasized in the speech given by the secretary general of the Spanish Socialist Workers Party, Felipe Gonzalez. This increment is due in part to the goal, toward which progress is well under way, of putting an end to Eurocentrism, which had been typifying the IS up until the present. A large number of the 21 pages of the final resolution are concerned with problems and conflicts and a few socialist successes on the Latin American, African and Asian continents.

Pessimism at the hardening of the international situation prevailed in the debates; for example, there was a series of criticisms of the "increasing gap between the industrialized nations of the north and the developing nations of the south," the "rapid increase in violations of human rights," and the multiplication of "new focal points of tension and conflict." Circumspection prevailed when it was time to pass judgment of the future Republican administration of Ronald Reagan in the United States.

In their final resolution, the socialists called for the ratification of the SALT II treaty, the opening of a new round of negotiations to limit nuclear weapons, and the preparation of the European Disarmament Conference.

The consider the war between Iraq and Iran "a serious blow to the stability of the Near East," and urge cooperation for the new initiative for mediation assigned by the United Nations to the Swede, Olof Palme, one of the IS vice-chairmen.

PLO Is Still Excluded

After strong disagreement at one extreme and the other, the International opted in its final resolution (of a non-binding nature) not to include either of the two documents which circulated during the debates regarding whether or not the PLO should have a leading role in the talks on peace in the Near East. Despite the fact that the Spanish and Italian Socialist Parties desired the former, in the end, the position (backed by the IS chairman, Willy Brandt) of leaving the issue in abeyance until later, prevailed; in other words, specifically, until after the next elections in Israel, in which the Israeli Labor Alignment (headed by Shimon Peres, member of IS) is confident that it will retain power. The resolution appeals to Israel, the neighboring countries and the Palestinians to negotiate a just peace for everyone, "which will guarantee the security of all those participating in the conflict and will also fulfill the legitimate rights of the Palestinian people."

Brandt had very great praise for Felipe Gonzalez, "who has not only become established as the leader of Spanish socialism, but has also attained the stature of an international statesman."

2909

CSO: 3110

POLITICAL, SOCIAL CONSEQUENCES OF BASQUE ECONOMIC CRISIS

Madrid YA in Spanish 16 Nov 80 p 28

[Article by Bernardo de Mesanza Ruiz de Salas]

[Text] In Bilbao we witnessed the presentation of the study called "Economia vasca: Informe 1979" [Basque Economy: 1979 Report], made by the Studies Department of the Popular Labor Office of Mondragon (Lankide-Aurrezkia), headed by directors Iosu Irigoien and Antxon Perez de Calleja.

"The Basque economy has reached a point at which the economic crisis is about to become a permanent decline, without the possibility of recovery, as has already happened in another European region," said Antxon Perez Calleja when he presented the study.

Now that we have become accustomed to crisis, "the impact of the current situation is terrible both for management and for labor. Losses have become widespread. There has been a collapse of management. Moreover, unemployment has without a doubt become the most serious social problem of the Basque Country. There are between 150,000 and 160,000 unemployed people, which means that one out of every six people of working age is unemployed."

"But what is most serious--and we must stress this--is that we are accustomed to living in a crisis; we continue to live as if nothing had happened. No steps are taken to solve the problem. We adapt to the crisis as if it were a normal situation."

Increased "Weight" of Steel and Metal Sector

The weight of the industrial sector, already high, is on the upswing. In 1977 industry accounted for 53.2 percent of the aggregate value generated by the economy; within the industrial sector, the most traditional activities, iron and steel and processed metal goods, have gained influence. They now make up 55 percent of industrial production (50 percent of the manufacturing industry).

Because these sectors use more energy per job (bearing in mind the present energy crisis), it will be more difficult to create jobs in this sector than in the others, and this has a negative impact on our economy.

Another negative development is that the crisis no longer affects just the traditional sectors; it has left a clear mark on durable consumer goods (furniture and

home appliances) which have added to the list of activities that are stagnant or in recession.

Construction, a non-manufacturing activity, continues to decline alarmingly, thus swelling the ranks of the unemployed.

The primary sector continues to lose jobs, and in 1979 production slumped.

Details aside, we should mention some factors that are repeated in all the sectors analyzed in the report in explaining the crisis.

To wit:

1. The decline in domestic demand, to a great extent caused by the crisis in other sectors supplied by the Basque economy
2. The weak financial structure
3. Low or non-existent profits in export enterprises
4. Competition on world markets by developing countries
5. Rising raw materials prices

These are real elements that are resulting in:

- a) Loss of jobs
- b) Paralyzation of investment projects
- c) Sometimes, in a positive vein, a certain restructuring with the elimination of marginal businesses

Weak Positive Factors

There is hardly anything positive to report in this gloomy picture, except for the less unfavorable development of the paper sector and the recovery of expectations in the shipping industry as a result of increased orders during 1979.

It is also pointed out that at present most resources are devoted to maintenance, not to saving hopeless businesses.

There can be no investment in losing sectors, and there is no sense in financing sectors that are undergoing crises. It is "bread for today and hunger for tomorrow."

There must be promotion of the sectors of the future, as continuous generators of employment.

We must turn our attention to the international market (Europe, for the moment). By 1979 a great effort was already being made: 63 percent of the value produced was exported, although without profits in the majority of cases.

It is noted that if the negotiation of agreements yields the expected results; if the economic decentralization measures contained in the Statute are adopted; if the transfers are effected quickly and the Basque Administration proves to be effective, the Basque economy and society will be able to gain important support for curbing or reversing the trends toward economic decline, and for attenuating the social consequences of the crisis. A role could also be played in the area of economic reconversion, either orienting or stimulating economic change, or serving as a direct agent through the formation of a productive public sector. In any case, the institutional strengthening of Basque society will have a positive impact on the normalization of political, social and labor activities, and the economy will benefit indirectly from this normalization.

To promote an artisan-level agriculture in our rural environment would be exceptionally appropriate; on the other hand, due to the dampness of the climate and the temperature, grass (raw material for the production of meat and milk) and native forest species would be appropriate, along with other rapidly-growing species. These sectors, in addition to the agricultural food sector (which is labor intensive) are variables that could be taken into consideration as ways to overcome this desperate crisis. Another possibility is the production of seed potatoes, seeds suitable for growing in meadows, and legume seeds, as well as the "elite" seeds of rapidly-growing forest species aimed at the European market.

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APATHY, FRAGMENTATION IN ANDALUSIAN SENATORIAL ELECTIONS

PSOE Wins Three Seats

Madrid EL PAIS in Spanish 28 Nov 80 p 1

[Text] The Spanish Socialist Workers Party (PSOE) will be the absolute winner of the partial senatorial elections held yesterday in Seville and Almeria, if the initial results obtained during the night hold up until the end of ballot counting. The results were released by party sources, as no official information was available.

According to data supplied by the PSOE, confirmed by other advance information distributed by the Spanish Communist Party (PCE), in Seville, with 47 percent of the votes counted, the PSOE had 42.5 percent; the PCE, 19.1 percent; the Socialist Party of Andalusia (PSA), 11.3 percent; the Popular Alliance (AP), 10.28 percent; and the Democratic Center Union (UCD) 10.16 percent.

In Almeria, with two seats up for grabs, and with 30 percent of the votes counted, the Socialist candidates had 58 percent of the votes and the UCD candidates 33 percent.

Voters Stay Home

Madrid EL PAIS in Spanish 28 Nov 80 p 19

[Text] The partial senatorial elections held yesterday in the provinces of Seville and Almeria were marked by a high percentage of voters who decided to stay at home. In Seville, only 39.55 percent (35.94 percent in the capital) made it to the polls, while in Almeria 44.62 percent (48 percent in the capital) voted. In Seville, the drop in voter participation is truly spectacular, having fallen from 64 percent, the lowest percentage recorded in the municipal elections. In Almeria the decline in turnout was less, because there the lowest level recorded during the municipal elections was 50 percent. Almeria's lower rate of abstention can be explained by the fact that two seats were up for grabs, as opposed to one in Seville. The preliminary results, which merely indicate trends, point to an upsurge for the PSOE and the Democratic Coalition, and a decline for the UCD, particularly in Seville.

New Liberal-Radical Party

Madrid EL PAIS in Spanish 28 Nov 80 p 9

[Opinion by Miguel M. Cuadrado, member of the board of directors of the Spanish Association for European Cooperation (AECE)]

[Text] As it prepares to mark the fifth anniversary of political pluralism, the Spanish democratic system is showing disturbing symptoms of apathy at its electoral grassroots (a rise in general and local voter abstention and spectacular decreases in party membership) and of uncertainty in the program and behavior of parliamentary and institutional leaders.

The earlier experience or inexperience of a political class subjected to a Stajanovan effort at adaptation between 1975 and 1980 has proven that class to be fatigued or impotent in the face of the magnitude of the problems resulting from the restructuring of the state and Spanish society. For this reason, there are logical expectations that the party system and the power structure created in 1976-1977 (with the electoral political reform act and the elections of June 1977) will be reformed. Those events determined and continue to influence the broader features of our political life.

During those few months, 8 to be exact, from November 1976 to July 1977, two great government parties emerged. Now they each earn between 30 and 35 percent of the vote. Two lesser parties, with 5 to 10 percent of the vote, make up the balance of the four national constellations, beside which shine small nationalist-regionalist stars which are supported by less than 10 percent of the electorate in total. The remaining 7 percent of the electorate has no parliamentary representation. This hexagonal spectrum makes for a rigid structure, since there tends to be oscillation inside and outside the spectrum. Because of that rigidity, the 1979 elections and the local-regional elections of 1979-1980 have accentuated the apathy and abstentionism, without presenting (despite local appearances) any innovation manifested in the variation indices of the electoral census, not in decreasing numbers of voters.

In order to break such a strict limitation of the party system resulting from the electoral system (the semi-constitutionalized electoral law of 1978) and from the atmosphere and attitude of citizens in 1979, frightened by the threat of fragmentation at the time, some currents of thought feel it is necessary to stimulate and, if possible, revitalize a system of popular participation. These currents are gaining increasing support. If such a system were maintained in the future; however, it would seriously disturb the entire structure of an edifice that was painstakingly and laboriously built over a period of 5 years. The two alternatives suggested to date have been to create a new radical party and to revive the idea of a liberal party. Both can be termed a joint effort to create a center-center in the party system in the manner of the keystone of an arch, the indispensable hinge, the culmination which should materialize into a new alternative for voters in the next elections with the creation of a liberal-radical or radical-liberal union or party.

Such a party's watchwords or identity badge would be the winning of 15 percent of the electorate, or about 3 million votes; 35 seats in Congress and 25 in the Senate. In this manner, after the next general elections, the orientation of the platform and of the team in power could be determined by a three-four year legislature, with

the obvious participation of the liberal-radical party, which would overcome the flaws and limitations to the two large parties and would help one of them fulfill the tasks and responsibilities of power. The liberal-radical theory points, therefore, to a fifth, or to be more exact, a third national party operating in the government. It would be equally responsible for the government, a complement to one of the two alternative parties, more a government party than an opposition one.

The liberal-radical operation would require many economic resources, in the order of a billion pesetas. It would require human resources as well, at least 600 persons for the parliamentary lists, plus support teams, to offer no more than 10 percent of the posts. It would need an acceptable and competitive platform, a team of top-flight leaders, eventually a first-ranking national leader, to be selected from among those on the political market.

It would definitely try to conquer a political space capable of mobilizing an electorate of no less than 3 million real voters, recoverable from that 10 percent of apathetic abstentionists who are supposedly mobilizable. It would have to bite a sizable chunk off of that 30 percent of unstable voters of the large parties, who can always be attracted in an election campaign by a party with such a suggestive appearance.

It is easy to point out the electoral bases of the non-existent liberal-radical party: a considerable number of votes from medium and small businessmen in dire straits, from workers or salaried employees, whether or not they are unemployed, from pensioners disturbed by the double drop in their pay, from professionals and intellectuals motivated by irritation and disillusionment, from officials upset by the local undermining of public administration. It is reasonable to assume that the liberal-radical platform would include components that might respond to these potential demands, with the supplementary campaign for the secularization of social and state relations, fiscal and credit liberalization, limits placed on the egalitarian tide of labor pressure groups, and the dampening of public sector spending and the spiral of political classes.

The potential threat of the liberal-radical platform would eat away at the bases of support for the government party. Recent trends in the UCD vote have indicated an erosion of nearly 10 points throughout 1980, although the centrist union could recover again during the election campaign. It is also trying to integrate or attract the moderate wing of the PSOE, although the latter's support is increasing slightly.

What, however, are the weak spots of the liberal-radical party and theory? The electoral system guarantees the two large central parties in the system almost sure results, and an even higher premium to the extent that the vote exceeds the 20 percent minimum and moves toward the 30-35 percent bracket. UCD and PSOE almost automatically get 90 percent of the seats of 32 districts of three-five deputies, among a total of 52 that exist now. The fall of the UCD in those 32 districts could benefit the PSOE to the extent that it could obtain the respective majorities, in a "restoration-3" effect. This would give the PSOE access to a relative national majority, a launching pad to government power. The UCD and the PSOE have, even if the UCD falls, a minimum of 120 seats.* The liberal-radical party, thus, would be fighting in only 20 districts, in those where the electoral system allows larger margins for third parties to obtain seats. In the best of cases, 10 percent of the other 230 seats would mean 23 seats.

Neither the two large central parties nor the two lesser parties, nor the regionalist parties, seem to be willing to share their relative advantages or substantially modify the present electoral system. The system is convenient for everyone, once they have overcome their imbalances. Opening up to the 400 seats that the constitution allows would still leave a zone of 50 supplementary seats, without reaching the 440 seats that would allow for a real viability of proportional representation in our system, an objective which lies outside the constitution's realm. The liberal-radical space thus promises little political profitability in the short run, within the electoral mechanisms that are supposedly applicable, even for the 400 seats.

Another negative precedent: In 1977 the coalitions of the Peoples Socialist Party (PSP) and the Socialist Union (US) and the FDC [expansion unknown], encouraged by Tierno and Ruiz-Gimenez, did not win a million votes between them; that is, they got a little over 5 percent, with the former winning six deputy seats, hardly irrelevant to their parliamentary possibilities. Shortly thereafter they drifted into dissimilar pairs of the new center of power resulting from the nuclear election of June.

Nevertheless, . . . given such a distressing practical picture, the theoretical liberal-radical platform envisions the renovation, probably unique, of the system's center by the center itself, not by its wings (which are growing increasingly extremist) in the political spectrum. The only battlefield where abstentionism, apathy and disinterest, which are real and growing problems, can be fought, must come from some Pandora's box. Today this theoretical medicine can only be administered by radical liberalism.

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